MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION FISCAL YEAR 1983

Military Construction Codification Bill

JOINT HEARINGS

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

OF THE

COMMITTEE ON ARMED SERVICES

AND THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

S. 2205

A BILL TO AUTHORIZE CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS FOR FISCAL YEAR 1983, AND FOR OTHER PURPOSES

AND

S. 1990

A BILL TO AMEND TITLE 10, UNITED STATES CODE, TO REVISE AND CODIFY THE PERMANENT PROVISIONS OF LAW RELATING TO MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING

APRIL 19, 20, 21, 22, 23, 1982

Printed for the use of the Committee on Armed Services
and the Committee on Appropriations

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Professional Staff

Richard A. Pierce
Mike Walker (Minority)

P

CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

April 19, 1982

Page

Farbrother, Douglas, Acting Deputy Assistant Secretary of Defense (Facilities, Environment and Economic Adjustment); accompanied by Maj. Gen. C. D. Wright, Deputy Director for Engineering and Services Headquarters, U.S. Air Force; Rear Adm. W. M. Zobel, CEC, USN, Commander, Naval Facilities Engineering Command, Department of the Navy; Col. Zach Hagedorn, Deputy Assistant Director Installation and Logistics, National Security Agency; and Brig. Gen. Norman G. Delbridge, Jr., Assistant Chief of Engineers, Department of the Army 117

April 20, 1982

Delbridge, Brig. Gen. Norman G., Jr., Assistant Chief of Engineers, accompanied by Allen M. Carton, Chief, Programing Division, Office of the Assistant Chief of Engineers; Maj. Gen. Niles J. Fulwyler, Director, Nuclear and Chemical Directorate, Office of Deputy Chief of Staff for Operations and Plans; Cecil D. Richardson, Director, Systems Technology Ballistic Missile Defense Program; Brig. Gen. Jerome B. Hilmes, Deputy Director of Facilities and Engineering and Housing, Office of the Chief of Engineers; Brig. Gen. Karl D. McIntosh, Deputy Chief, Army Reserve; Brig. Gen. Herbert R. Temple, Jr., Deputy Director, Army National Guard 203

Fulwyler, Maj. Gen. Niles J., Director, Nuclear and Chemical Directorate, Office of Deputy Chief of Staff for Operations and Plans 288

Temple, Brig. Gen. Herbert R., Jr., Deputy Director, Army National Guard 299

McIntosh, Brig. Gen. Carl D., Deputy Chief, Army Reserve 303

Richardson, Cecil D., Director, Systems Technology Program, Ballistic Missile Defense Systems Command 354

April 21, 1982

Zobel, Rear Adm. W. M., CEC, U.S. Navy, Commander, Naval Facilities Engineering Command; accompanied by Brig. Gen. F. E. Petersen, U.S. Marine Corps, Director, Facilities and Services Division, Installations and Logistics Department, Headquarters, U.S. Marine Corps; Rear Adm. W. D. Daniels, U.S. Naval Reserve, Deputy Chief of Naval Reserve; Rear Adm. S. G. Catola, Project Manager, Trident System Project Office, Office of the Chief of Naval Material; Chairman Cox, Deputy Assistant Secretary of the Navy for Logistics; and Rear Adm. Donald E. Wilson, SC, U.S. Navy, Commander, Navy Resale and Services Support Office 364

Petersen, Brig. Gen. F. E., U.S. Marine Corps, Director, Facilities and Services Division, Installations and Logistics Department, Headquarters, U.S. Marine Corps 376

Daniels, Rear Adm. W. D., U.S. Naval Reserve, Deputy Chief of Naval Reserve 377

April 22, 1982

Wright, Maj. Gen. Clifton D., Deputy Director of Engineering and Services, Department of the Air Force, accompanied by Brig. Gen. Wess P. Chambers, Deputy Director, Air National Guard; Brig. Gen. James C. Wahleithner, Deputy to the Chief of Air Force Reserve Headquarters, U.S. Air Force; Michael G. Byrne, Major, U.S. Air Force 413, 416

Page
Goldwater, Hon. Barry, a U.S. Senator from the State of Arizona 414
Chambers, Brig. Gen. Wess P., Deputy Director, Air National Guard 430
Wahleithner, Brig. Gen. James C., Deputy to the Chief of Air Force Reserve Headquarters, U.S. Air Force 436
Byrne, Michael G., Major, U.S. Air Force 440

April 23, 1982

Abdnor, Hon. James, a U.S. Senator from the State of South Dakota 476
Greenlief, Maj. Gen. Francis S., USA (retired), executive vice president, National Guard Association of the United States 478
Palmer, Col. David G., USAF (retired), Air Force director, Reserve Officers Association of the United States 482
McKinney, C. A. (Mack), sergeant major, USMC (retired), senior vice president for Government affairs, the Noncommissioned Officers Association of the United States of America 487
Baucus, Hon. Max, a U.S. Senator from the State of Montana 494
Pressler, Hon. Larry, a U.S. Senator from the State of South Dakota 496
Melcher, Hon. John, a U.S. Senator from the State of Montana 498
Warren, Frank, Jr., on behalf of the International Construction Committee, Associated General Contractors of America, AGC, accompanied by Jim Thompson, director, International Construction Division, AGC 501
Birkhoffer, William J., director, and Everett S. Thompson, consulting engineer and past president, governmental affairs, American Consulting Engineering Council, Washington, D.C. 505
LeTellier, Carroll N., Sverdrup & Parcel Associates 511
Corrigan, Richard L., vice president, governmental affairs, CH2M Hill, Engineers, Planners, Economists, Scientists, Washington, D.C. 519
Ball, Rex M., HTB, Inc. 519
Villarreal, Carlos C., Wilbur Smith & Associates 519
Ritchie, William G., C. E. Maguire, Inc. 520

Index of installations i
Index of installation by State xi

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1983

MILITARY CONSTRUCTION CODIFICATION BILL

MONDAY, APRIL 19, 1982

U.S. Senate,
Subcommittee on Military Construction
of the Committee on Armed Services,
Subcommittee on Military Construction
of the Committee on Appropriations,
Washington, D.C.

The subcommittees met jointly at 10:02 a.m., pursuant to notice, in room 212, Russell Senate Office Building, Senator Strom Thurmond (chairman of the Subcommittee on Military Construction of the Committee on Armed Services) presiding.

Present: Senators Thurmond (Armed Services), Laxalt (chairman of the Subcommittee on Military Construction of the Committee on Appropriations), and Mattingly.

Armed Services Committee staff present: James C. Smith, professional staff member; Paul C. Besozzi, minority counsel; and Marie Fabrizio Dickinson, staff assistant.

Appropriations Committee staff present: Rick Pierce, professional staff member.

Also present: Buzz Hefti, assistant to Senator Warner; and Greg Pallas, assistant to Senator Exon.

[The bills S. 2205 and S. 1990 follow:]

97TH CONGRESS
2D SESSION

S. 2205

To authorize certain construction at military installations for fiscal year 1983, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 16 (legislative day, FEBRUARY 22), 1982

Mr. THURMOND (by request) introduced the following bill; which was read twice and referred to the Committee on Armed Services

---

A BILL

To authorize certain construction at military installations for fiscal year 1983, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Construction Authorization Act, 1983".

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

Inside the United States

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $25,120,000.

Fort Campbell, Kentucky, $10,650,000.

Fort Carson, Colorado, $11,900,000.

Fort Devens, Massachusetts, $3,200,000.

Fort Hood, Texas, $7,950,000.

Fort Irwin, California, $31,340,000.

Fort Lewis, Washington, $21,700,000.

Fort Meade, Maryland, $2,500,000.

Fort Ord, California, $14,700,000.

Fort Polk, Louisiana, $16,850,000.

Camp Roberts, California, $2,050,000.

Fort Stewart, Georgia, $23,000,000.

Fort Wainwright, Alaska, $3,020,000.

Yakima Firing Center, Washington, $2,950,000.

UNITED STATES ARMY WESTERN COMMAND

Schofield Barracks, Hawaii, $20,730,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Benning, Georgia, $15,500,000.

Fort Bliss, Texas, $21,300,000.

Fort Eustis, Virginia, $6,400,000.

Fort Knox, Kentucky, $8,400,000.

Fort Leavenworth, Kansas, $44,200,000.

Fort Leonard Wood, Missouri $11,000,000.

Fort McClellan, Alabama, $7,500,000.

Fort Rucker, Alabama, $17,750,000.

Fort Story, Virginia, $13,800,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $9,400,000.

Pine Bluff Arsenal, Arkansas, $19,650,000.

Red River Army Depot, Texas, $39,000,000.

Tooele Army Depot, Utah, $4,150,000.

White Sands Missile Range, New Mexico, $5,500,000.

AMMUNITION FACILITIES

Indiana Army Ammunition Plant, Indiana, $2,910,000.

Iowa Army Ammunition Plant, Iowa, $1,030,000.

Kansas Army Ammunition Plant, Kansas, $7,200,000.

Longhorn Army Ammunition Plant, Texas, $230,000.

Louisiana Army Ammunition Plant, Louisiana, $3,410,000.

Milan Army Ammunition Plant, Tennessee, $5,500,000.

Radford Army Ammunition Plant, Virginia, $2,400,000.

Sunflower Army Ammunition Plant, Kansas, $3,000,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $7,550,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $1,700,000.

Fitzsimons Army Medical Center, Colorado, $3,600,000.

Walter Reed Army Medical Center, Washington, District of Columbia, $9,800,000.

BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

Classified Locations, $20,000,000.

OUTSIDE THE UNITED STATES

EIGHTH UNITED STATES ARMY

Korea, $68,300,000.

BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

National Missile Range, $21,600,000.

UNITED STATES ARMY FORCES COMMAND

Panama, $6,800,000.

Egypt, $53,000,000.

UNITED STATES ARMY, EUROPE

Germany, $248,090,000.

Turkey, $7,050,000.

UNITED STATES ARMY WESTERN COMMAND

Johnston Island, $1,050,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Germany, $3,950,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1983, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $62,760,000.

FAMILY HOUSING

SEC. 104. (a) The Secretary of the Army, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of fifteen days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. The Secretary of the Army is authorized to acquire less than sole interest in existing family housing units in foreign countries when determined to be in the best interests of the Government.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of the Army is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development-held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if the Secretary, or the Secretary's designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units and community service facility for the Department of the Army, $70,095,000; five hundred and seventy-two units:

Fort Irwin, California, one hundred and forty-four units, $13,754,000.

Fort Lewis, Washington, one hundred and fifteen units, $9,962,000.

Grafenwoehr, Germany, one hundred and forty-three units, $17,214,000.

Hohenfels, Germany, thirteen units, $1,565,000.

Wildflecken, Germany, one hundred and fifty-seven units, $18,900,000.

Aliamanu, Hawaii, consolidated community center, $8,700,000.

(d) The projects and amounts authorized by subsection (c) include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, supervision, inspection, overhead, land acquisition, site preparation, installation of utilities, and solar energy systems.

(e) The Secretary of the Army, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $109,680,000, of which $43,800,000, shall be available only for energy conservation projects.

(f) The Secretary of the Army, or the Secretary's designee, within the amounts specified in subsection (e), is authorized to accomplish repairs and improvements to existing family housing in amounts in excess of the dollar limitation prescribed in section 610(a) of the Military Construction Authorization Act, 1968 (Public Law 90–110; 81 Stat. 305), as amended, as follows:

Fort Hamilton, New York, one hundred and eight units, $4,800,000.

(g) Section 505 of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 561) is amended by striking out "$195,000" in the item relating to Fort McNair, Washington, District of Columbia, and inserting in lieu thereof "$223,000".

DEFICIENCY AUTHORIZATION FOR PRIOR YEAR PROJECTS

SEC. 105. Section 702(1) of the Military Construction Authorization Act 1982 (Public Law 97–99); 95 Stat. 1375), is amended to read as follows:

"(1) for title I: inside the United States $391,356,000; outside the United States $395,006,000; minor construction $34,150,000; for a total of $820,512,000."

FORT LEWIS, WASHINGTON—WEYERHAEUSER LAND EXCHANGE

SEC. 106. (a) The Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Weyerhaeuser Corporation, Tacoma, Washington, all right, title, and interest of the United States in and to five parcels of land aggregating approximately three hundred acres located along the westerly boundary of the Fort Lewis Military Reservation, Pierce County, Washington, together with the improvements on such land. Such conveyance shall be made subject to such terms and conditions as the Secretary considers to be in the public interest and shall include the following reservations:

(1) a training easement over tract 1-US, and

(2) an access easement over tract 4-US.

(b) In consideration for the conveyance authorized by subsection (a), the Weyerhaeuser Corporation shall—

(1) convey or cause to be conveyed to the United States all right, title, and interest in two parcels of land aggregating approximately two hundred and ninety acres, together with improvements, to be equivalent in value as determined by the Secretary to the land conveyed under subsection (a) and that are otherwise acceptable to the Secretary;

(2) pay all costs associated with surveying, installing boundary monuments, and fencing costs; and

(3) shall not reserve any easements in the lands to be conveyed to the United States with the exception of two easements over roads in tract 1-W.

(c) The exact acreages and legal descriptions of the lands to be conveyed under subsections (a) and (b) shall be determined by surveys which are satisfactory to the Secretary.

(d) The Secretary is authorized to enter an agreement with the responsible officials of Pierce County, Washington, whereby the reversionary interest of Pierce County in the United States lands to be conveyed under subsection (a) is extinguished and replaced with a reversionary interest in the lands conveyed to the United States under subsection (b).

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

Inside the United States

UNITED STATES MARINE CORPS

Marine Corps Air Station, Beaufort, South Carolina, $4,650,000.

Marine Corps Base, Camp Lejeune, North Carolina, $28,550,000.

Marine Corps Base, Camp Pendleton, California, $33,965,000.

Marine Corps Air Station, Cherry Point, North Carolina, $31,800,000.

Marine Corps Air Station, El Toro, California, $7,200,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $1,450,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $1,550,000.

Marine Corps Development and Education Command, Quantico, Virginia, $23,250,000.

Marine Corps Recruit Depot, San Diego, California, $27,100,000.

Marine Corps Air Station, Tustin, California, $7,350,000.

OFFICE OF NAVAL RESEARCH

Naval Research Laboratory, Washington, District of Columbia, $1,800,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $16,900,000.

Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $147,750,000.

Commandant Naval District of Washington, District of Columbia, $15,400,000.

Naval Support Activity, San Francisco, California, $1,400,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Air Station, Cecil Field, Florida, $9,300,000.

Naval Station, Charleston, South Carolina, $12,250,000.

Naval Amphibious Base, Little Creek, Virginia, $1,850,000.

Naval Station, Mayport, Florida, $15,800,000.

Naval Submarine Base, New London, Groton, Connecticut, $5,900,000.

Commander Oceanographic System Atlantic, Norfolk, Virginia, $3,100,000.

Atlantic Fleet Headquarters Support Activity, Norfolk, Virginia, $2,085,000.

Naval Air Station, Norfolk, Virginia, $2,150,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Facility, Adak, Alaska, $1,900,000.

Naval Air Station, Alameda, California, $3,650,000.

Naval Air Station, Lemoore, California, $10,700,000.

Naval Air Station, Moffett Field, California, $11,800,000.

Naval Air Station, North Island, California, $31,070,000.

Naval Station, Pearl Harbor, Hawaii, $14,400,000.

Naval Station, San Diego, California, $27,300,000.

Shore Intermediate Maintenance Activity, San Diego, California, $14,100,000.

Shore Intermediate Maintenance Activity, Pearl Harbor, Hawaii, $7,000,000.

Naval Air Station, Whidbey Island, Washington, $1,200,000.

NAVAL EDUCATION AND TRAINING COMMAND

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $1,700,000.

Naval Air Station, Corpus Christi, Texas, $2,800,000.

Naval Training Center, Great Lakes, Illinois, $1,850,000.

Naval Air Station, Memphis, Tennessee, $8,400,000.

Naval Education and Training Center, Newport, Rhode Island, $1,100,000.

Fleet Training Center, Norfolk, Virginia, $5,400,000.

Naval Training Center, Orlando, Florida, $5,500,000.

Naval Air Station, Pensacola, Florida, $5,400,000.

Naval Technical Training Center, Pensacola, Florida, $4,450,000.

Fleet Anti-Submarine Warfare Training Center Pacific, San Diego, California, $3,950,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center, Oakland, California, $9,700,000.

Naval Regional Medical Center, Camp Lejeune, North Carolina, $2,800,000.

NAVAL MATERIAL COMMAND

Naval Air Rework Facility, Alameda, California, $1,400,000.

Naval Weapons Station, Charleston, South Carolina, $1,140,000.

Naval Air Rework Facility, Cherry Point, North Carolina, $5,550,000.

Naval Weapons Center, China Lake, California, $8,700,000.

Naval Surface Weapons Center, Dahlgren, Virginia, $10,800,000.

Navy Public Works Center, Great Lakes, Illinois, $3,400,000.

Mare Island Naval Shipyard, Vallejo, California, $2,250,000.

Naval Underwater Systems Center, Newport, Rhode Island, $6,500,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $160,000,000.

Navy Public Works Center, Norfolk, Virginia, $16,030,000.

Naval Air Rework Facility, North Island, California, $18,500,000.

Aviation Supply Office, Philadelphia, Pennsylvania, $1,400,000.

Naval Ship Weapon System Engineering Station, Port Hueneme, California, $7,800,000.

Naval Supply Center, San Diego, California, $4,430,000.

Naval Mine Engineering Facility, Yorktown, Virginia, $3,250,000.

Navy Public Works Center, San Francisco, California, $9,800,000.

Portsmouth Naval Shipyard, Kittery, Maine, $2,200,000.

Naval Air Development Center, Warminster, Pennsylvania, $1,400,000.

Naval Surface Weapons Center, White Oak, Maryland, $5,700,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communications Area Master Station Eastern Pacific, Honolulu, Hawaii, $6,300,000.

Naval Communications Area Master Station Atlantic, Norfolk, Virginia, $1,850,000.

Outside the United States

UNITED STATES MARINE CORPS

Marine Corps Base, Camp Butler, Okinawa, Japan, $2,000,000.

Marine Corps Air Station, Iwakuni, Japan, $1,350,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Facility, Keflavik, Iceland, $1,400,000.

Naval Station, Keflavik, Iceland, $8,800,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Air Facility, Atsugi, Japan, $1,700,000.

Naval Air Station, Cubi Point, Republic of the Philippines, $10,400,000.

Naval Support Facility, Diego Garcia, Indian Ocean, $80,630,000.

Naval Activities, Kenya, $8,300,000.

Naval Activities, Somalia, $30,000,000.

COMMANDER IN CHIEF, NAVAL FORCES, EUROPE

Fleet Operations Control Center, Europe, London, England, United Kingdom, $3,250,000.

Naval Air Station, Sigonella, Italy, $31,900,000.

NAVAL MATERIAL COMMAND

Navy Public Works Center, Subic Bay, Republic of the Philippines, $2,050,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station Western Pacific, Guam, $1,750,000.

Naval Communication Area Master Station, Mediterranean, Naples, Italy, $2,500,000.

Naval Communication Station, Thurso, Scotland, $1,400,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, $9,390,000.

HOST NATION INFRASTRUCTURE SUPPORT

Various Locations, $3,000,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the secretary of defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1983, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $61,068,000.

FAMILY HOUSING

SEC. 204. (a) The Secretary of the Navy, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of fifteen days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. The Secretary of the Navy is authorized to acquire less than sole interest in existing family housing units in foreign countries when determined to be in the best interests of the Government.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of the Navy is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development-held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if the Secretary, or the Secretary's designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units for the Department of the Navy, $83,513,000; one thousand seven hundred and forty-nine units:

Marine Corps Base, Camp Pendleton, California, one hundred and four units, $9,112,000.

Marine Corps Mountain Warfare Training Center, Bridgeport, California, seventy-seven units, $10,908,000.

Naval Station, Long Beach, California, three hundred and sixty-eight units, $33,090,000.

Naval Air Training Center, Patuxent River, Maryland, one thousand units, $5,000,000.

Naval Station, Guantanamo Bay, Cuba, two hundred units, $25,403,000.

(d) The projects and amounts authorized by subsection (c) include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, supervision, inspection, overhead, land acquisition, site preparation, installation of utilities, and solar energy systems.

(e) Notwithstanding any other provision of law, the Secretary of the Navy is authorized to purchase ninety-one acres of real estate at a cost not to exceed $1,000,000 in support of a future project to construct family housing units at the Naval Station, Mayport, Florida.

(f) The Secretary of the Navy, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $47,333,000 of which $7,574,000 shall be available only for energy conservation projects.

(g) The Secretary of the Navy, or the Secretary's designee, within the amounts specified in subsection (f), is authorized to accomplish repairs and improvements to existing family housing in the amounts in excess of the dollar limitations prescribed in section 610(a) of the Military Construction Authorization Act, 1968 (Public Law 90-110, 81 Stat. 305), as amended, as follows:

Naval Air Test Center, Patuxent River, Maryland, three hundred and thirty units, $16,800,000.

Naval Station, Guantanamo Bay, Cuba, one unit, $75,000.

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $5,845,000.

Kelly Air Force Base, Texas, $12,000,000.

McClellan Air Force Base, California, $9,000,000.

Robins Air Force Base, Georgia, $4,700,000.

Tinker Air Force Base, Oklahoma, $10,650,000.

Wright-Patterson Air Force Base, Ohio, $32,186,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $6,600,000.

Edwards Air Force Base, California, $12,100,000.

Eglin Air Force Base, Florida, $13,200,000.

Fort MacArthur, California, $1,900,000.

Laurence G. Hanscom Air Force Base, Massachusetts, $10,650,000.

Cape Canaveral, Florida, $15,700,000.

Moffett Naval Air Station, California, $1,900,000.

Sunnyvale Air Force Station, California, $11,700,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $11,460,000.

Columbus Air Force Base, Mississippi, $1,150,000.

Goodfellow Air Force Base, Texas, $15,300,000.

Keesler Air Force Base, Mississippi, $9,000,000.

Lackland Air Force Base, Texas, $6,100,000.

Laughlin Air Force Base, Texas, $5,770,000.

Lowry Air Force Base, Colorado, $13,050,000.

Maxwell Air Force Base, Alabama, $15,150,000.

Randolph Air Force Base, Texas, $3,900,000.

Reese Air Force Base, Texas, $3,750,000.

Sheppard Air Force Base, Texas, $5,500,000.

Williams Air Force Base, Arizona, $8,700,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $6,580,000.

Elmendorf Air Force Base, Alaska, $4,800,000.

Galena Airport Alaska, $2,050,000.

Shemya Air Force Base, Alaska, $1,200,000.

Various Locations, Alaska, $43,600,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $1,060,000.

Andrews Air Force Base, Maryland, $13,200,000.

Bolling Air Force Base, District of Columbia, $4,200,000.

Charleston Air Force Base, South Carolina, $1,550,000.

Dover Air Force Base, Delaware, $2,500,000.

Kirtland Air Force Base, New Mexico, $3,570,000.

Little Rock Air Force Base, Arkansas, $5,500,000.

McChord Air Force Base, Washington, $3,700,000.

McGuire Air Force Base, New Jersey, $16,000,000.

Norton Air Force Base, California, $1,300,000.

Pope Air Force Base, North Carolina, $4,400,000.

Scott Air Force Base, Illinois, $4,850,000.

Travis Air Force Base, California, $2,400,000.

NATIONAL MILITARY COMMAND CENTER

Pentagon Building, Virginia, $3,300,000.

NORTH AMERICAN AEROSPACE DEFENSE COMMAND

NORAD Cheyene Mountain Complex, Colorado, $1,900,000.

STRATEGIC AIR COMMAND

Beale Air Force Base, California, $2,595,000.

Blytheville Air Force Base, Arkansas, $1,350,000.

Carswell Air Force Base, Texas, $54,500,000.

Dyess Air Force Base, Texas, $1,650,000.

Ellsworth Air Force Base, South Dakota, $1,350,000.

Francis E. Warren Air Force Base, Wyoming, $4,150,000.

Fairchild Air Force Base, Washington, $3,740,000.

Griffiss Air Force Base, New York, $49,050,000.

K. I. Sawyer Air Force Base, Michigan, $4,450,000.

Loring Air Force Base, Maine, $38,420,000.

Malmstrom Air Force Base, Montana, $49,900,000.

March Air Force Base, California, $1,550,000.

McConnell Air Force Base, Kansas, $3,000,000.

Offutt Air Force Base, Nebraska, $13,255,000.

Peterson Air Force Base, Colorado, $67,700,000.

Powell, Wyoming, $1,250,000.

Vandenberg Air Force Base, California, $91,459,000.

Various Locations, Continental United States, $1,900,000.

Wurtsmith Air Force Base, Michigan, $1,800,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $5,450,000.

Cannon Air Force Base, New Mexico, $1,800,000.

Davis-Monthan Air Force Base, Arizona, $11,950,000.

George Air Force Base, California, $1,400,000.

Gila Bend Air Force Auxiliary Field, Arizona, $1,700,000.

Holloman Air Force Base, New Mexico, $3,902,000.

Homestead Air Force Base, Florida, $1,500,000.

Langley Air Force Base, Virginia, $15,550,000.

MacDill Air Force Base, Florida, $3,700,000.

Moody Air Force Base, Georgia, $2,550,000.

Mountain Home Air Force Base, Idaho, $4,350,000.

Nellis Air Force Base, Nevada, $19,900,000.

Seymour-Johnson Air Force Base, North Carolina, $3,620,000.

Shaw Air Force Base, South Carolina, $1,150,000.

Tyndall Air Force Base, Florida, $6,300,000.

Various Locations, Maine, $7,200,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $6,050,000.

M–X

Various Locations, Continental United States, $207,000,000.

AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $1,100,000.

Otis Air National Guard Base, Massachusetts, $3,440,000.

AIR FORCE RESERVE

Westover Air Force Reserve Base, Massachusetts, $2,700,000.

Outside the United States

MILITARY AIRLIFT COMMAND

Lajes Field Azores, Portugal, $55,700,000.

Rhein-Main Air Base, Germany, $7,270,000.

PACIFIC AIR FORCES

Camp Long, Korea, $1,750,000.

Clark Air Base, Republic of the Philippines, $14,380,000.

Diego Garcia Air Base, Indian Ocean, $36,550,000.

Kadena Air Base, Japan, $15,950,000.

Kunsan Air Base, Korea, $36,490,000.

Kwang-Ju Air Base, Korea, $2,450,000.

Misawa Air Base, Japan, $6,600,000.

Osan Air Base, Korea, $44,000,000.

San Miguel, Republic of the Philippines, $1,750,000.

Yaedake Radio Relay Station, Japan, $1,300,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $2,440,000.

TACTICAL AIR COMMAND

Keflavik Naval Station, Iceland, $3,600,000.

Various Locations, Worldwide, $45,000,000.

UNITED STATES AIR FORCES IN EUROPE

Egypt, Various Locations, $125,600,000.

Germany, Various Locations, $23,794,000.

Aviano Air Base, Italy, $7,200,000.

Oman, Various Locations, $60,350,000.

Torrejon Air Base, Spain, $4,000,000.

Incirlik Air Base, Turkey, $7,290,000.

Various Locations, United Kingdom, $64,610,000.

Various Locations, $128,330,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1983, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $104,691,000.

FAMILY HOUSING

SEC. 304. (a) The Secretary of the Air Force, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of fifteen days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. The Secretary of the Air Force is authorized to acquire less than sole interest in existing family housing units in foreign countries when determined to be in the best interests of the Government.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of the Air Force is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development-held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if the Secretary, or the Secretary's designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family Housing units for the Department of the Air Force, $100,550,000; nine hundred and sixty units:

Fort MacArthur, California, two hundred units, $20,000,000.

Powell, Wyoming, fifty units, $3,850,000.

MacDill Air Force Base, Florida, forty units, $3,200,000.

Incirlik Air Base, Turkey, two hundred units, $20,000,000.

Bentwaters Royal Air Force Station, United Kingdom, three hundred units, $35,000,000.

Greenham-Common, United Kingdom, one hundred and seventy units, $18,500,000.

(d) The projects and amounts authorized by subsection (c) include the costs of shades, screens, rangers, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, supervision, inspection, overhead, land acquisition, site preparation, installation of utilities, and solar energy systems.

(e) The Secretary of the Air Force, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $76,500,000 of which $17,000,000 shall be available only for energy conservation projects.

(f) The Secretary of the Air Force, or the Secretary's designee, within the amounts specified in subsection (e), is authorized to accomplish repairs and improvements to existing family housing in amounts in excess of the dollar limitation prescribed in section 610(a) of the Military Construction Authorization Act, 1968 (Public Law 90-110; 81 Stat. 305), as amended, as follows:

Loring Air Force Base, Maine, four hundred units, $13,080,000.

F. E. Warren Air Force Base, Wyoming, one hundred and sixty-two units, $5,783,300.

Kirtland Air Force Base, New Mexico, one hundred and twenty-five units, $4,123,700.

Holloman Air Force Base, New Mexico, one hundred and forty-two units, $4,253,600.

Ramstein Air Base, Germany, one hundred and twenty units, $7,630,000.

RAF Lakenheath, United Kingdom, thirty-six units, $1,569,700.

RAF Upper Heyford, United Kingdom, eighteen units, $934,900.

DEFICIENCY AUTHORIZATION FOR PRIOR YEAR PROJECT

SEC. 305. The Military Construction Act, 1977 (Public Law No. 94–431; 90 Stat. 1349), as amended, is further amended as follows:

(1) In section 301 concerning the Arnold Engineering Development Center, Tennessee, delete "$519,010,000" and insert in lieu thereof "$561,010,000", and

(2) In clause (3) of section 602 delete the phrases "$759,759,000" and "$816,409,000" and insert in lieu thereof "$801,759,000" and "$858,409,000", respectively.

LAND CONVEYANCE, FLORIDA

SEC. 306. (a) Notwithstanding the restoration provisions of the Second Deficiency Appropriation Act, 1940 (Public

Law 668, ch. 437, 54 Stat. 628, 655 (1940)), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to adjust the base boundaries at Eglin Air Force Base, Florida, to resolve encroachments by both the Air Force and private property owners resulting from reliance on inaccurate surveys. In doing so the Secretary is authorized (1) to disclaim intent to acquire property by prescription, which disclaimer shall be binding on all parties, (2) to dispose of tracts by gift, sale or exchange for privately owned land adjoining Eglin Air Force Base to parties in possession of such tracts who mistakenly believed that they had acquired title to such tracts, and (3) to acquire tracts by purchase, donation or exchange for Government-owned land at Eglin Air Force Base.

(b) Conveyances pursuant to this action may be made without consideration at the Secretary's discretion.

(c) The exact acreages and legal description of all properties are to be determined by surveys which are acceptable to the Secretary.

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Property Disposal Office, Elmendorf Air Force Base, Alaska, $2,700,000.

DEFENSE MAPPING AGENCY

Aerospace Center, Saint Louis, Missouri, $24,141,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $75,500,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $2,100,000.

Defense Foreign Language Institute, Monterey, California, $31,000,000.

Defense Systems Management College, Fort Belvoir, Virginia, $4,600,000.

OUTSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Guam, $43,900,000.

Defense Personnel Support Center, Kaiserslautern, Germany, $5,100,000.

Various Locations, Korea, $29,000,000.

SECRETARY OF DEFENSE ACTIVITIES

Classified Location, $13,000,000.

Mariana Islands, $35,000,000.

NATIONAL SECURITY AGENCY

Classified Locations, $8,557,000.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

Bamberg, Germany, $3,470,000.

Kaiserslautern Air Base, Germany, $7,967,000.

Karlsruhe, Germany, $7,380,000.

Mainz, Germany, $2,830,000.

Nuernberg, Germany, $2,820,000.

Ramstein Air Base, Germany, $1,460,000.

Wuerzburg, Germany, $3,920,000.

Zweibruecken Air Base, Germany, $1,780,000.

Comiso, Italy, $15,280,000.

Yokota Air Base, Japan, $5,660,000.

RAF Greenham Common, United Kingdom, $15,250,000.

RAF Woodbridge, United Kingdom, $1,200,000.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $30,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $13,460,000.

FAMILY HOUSING

SEC. 404. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. The Secretary of Defense, or the Secretary's designee, is authorized to acquire less than sole interest in existing family housing units in foreign countries when determined to be in the best interests of the Government.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense, or the Secretary's designee, is authorized to acquire sole interest in privately owned family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if the Secretary, or the Secretary's designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family Housing units for the National Security Agency, $1,009,000; five units:

Classified locations overseas, five units, $1,009,000.

(d) The project and amount authorized by subsection (c) includes the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, supervision, inspection, overhead, land acquisition, site preparation, installation of utilities, and solar energy systems.

(e) The Secretary of Defense, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $33,000 for the Defense Agencies.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 501. (a) The Secretary of Defense is authorized to incur obligations in amounts not to exceed $375,000,000 for the United States' share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area.

(b) Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States during the preceding quarter for the United States' share of the cost of such multilateral programs.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

AUTHORIZATION OF APPROPRIATIONS

SEC. 602. (a) There are authorized to be appropriated for fiscal years beginning after September 30, 1982, such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: military construction inside the United States $489,540,000; military construction outside the United States $409,840,000; minor construction $62,760,000; family housing construction $179,775,000; family housing support $905,678,000; homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, $4,000,000; for a total of $2,051,593,000;

(2) for title II: military construction inside the United States $857,120,000; military construction outside the United States $199,820,000; minor construction $61,068,000; family housing construction $131,846,000; family housing support $659,439,000; for a total of $1,909,293,000;

(3) for title III: military construction inside the United States $1,080,002,000; military construction outside the United States $696,404,000; minor construction $104,691,000; family housing construction $177,050,000; family housing support $809,535,000; for a total of $2,867,682,000;

(4) for title IV: military construction inside the United States $140,041,000; military construction outside the United States $203,574,000; minor construction $13,460,000; emergency construction $30,000,000; family housing construction $1,042,000; family housing support $17,279,000; for a total of $405,396,000; and

(5) for title V: for a total of $375,000,000.

(b) The amounts authorized to be appropriated for family housing support may be increased to the extent additional funds are necessary for increased pay costs associated with actions taken pursuant to law.

COST VARIATIONS

SEC. 603. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (b) and (d), the total cost of all construction and acquisition in each of titles I, II, III, IV, and V, except as provided in subsection (c), may not exceed the total amount authorized to be appropriated for that title.

(b) VARIATIONS IN INSTALLATION TOTALS—UNUSUAL VARIATIONS IN COST.—Any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN NORTH ATLANTIC TREATY ORGANIZATION TOTAL.—When the Secretary of Defense determines that the amount set forth in the title V for the United States' share of the cost of the North Atlantic Treaty Organization program must be increased, the Secretary may incur obligations in excess of such amount if the amount of the increase does not exceed by more than 25 per centum the amount set forth in such title. When the Secretary of Defense determines that the amount set forth in title V of this Act must be exceeded by more than 25 per centum for the United States' share of the cost of the North Atlantic Treaty Organization infrastructure program, the Secretary may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either (1) fifteen days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(d) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS: REPORTS TO CONGRESS.—No individual project authorized in sections 101, 104, 201, 204, 301, 304, 401, and 404 of this Act for any specifically listed military installations for which the current working estimate is greater than the statutory upper limit for minor construction projects may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either fifteen days have elapsed from the date of submission of such report or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(e) ANNUAL REPORT TO CONGRESS.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense, based upon bids received, for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the

Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR YEAR AUTHORIZATION: EXCEPTIONS

SEC. 605. (a) As of October 1, 1983, or the date of the enactment of the Military Constuction Authorization Act for fiscal year 1984, whichever is later, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, V, and VI of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1359), and all such authorizations contained in Acts approved before December 23, 1981 and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1983, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of subsection (a) of this section and section 705 of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1377), authorizations for the following items authorized in section 101 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Temperature Control/Heat Recovery Construction in the amount of $2,300,000 at Baumholder, Germany.

(2) Temperature Control/Heat Recovery Construction in the amount of $2,270,000 at Hanau, Germany.

(3) Temperature Control/Heat Recovery Construction in the amount of $2,500,000 at Giessen, Germany.

(4) Energy Monitor and Control Systems in the amount of $840,000 at Karlsruhe, Germany.

(c) Notwithstanding the provisions of subsection (a) of this section and of section 705 of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1377), authorizations for the following items authorized in section 201 or such authorizations as were extended in section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Municipal Sewer Connection construction in the amount of $2,500,000 at the Naval Education and Training Center, Newport, Rhode Island.

(2) Nautilus Memorial in the amount of $1,930,000 at the Naval Submarine Base, New London, Connecticut.

(3) Energy Monitoring and Control System in the amount of $765,000 at the Naval Air Station, Jacksonville, Florida.

(4) Unaccompanied Enlisted Personnel Housing Modernization in the amount of $4,700,000 at the Fleet Combat Training Center, Atlantic, Dam Neck, Virginia.

(5) Land Acquisition in the amount of $330,000 at the Naval Air Station, Fallon, Nevada.

(d) Notwithstanding the provisions of subsection (a) of this section and section 705 of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1377), authorizations for the following items authorized in section 301 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), shall remain in effect until October 1, 1984, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Various Rapid Deployment Force Facilities, in the amount of $20,000,000 at Lajes Air Base, Portugal.

(2) Energy Showcase Initiatives in the Amount of $1,600,000 at McClellan Air Force Base, California.

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 606. Titles I, II, III, IV, and V shall take effect on October 1, 1982.

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army:

(a) for the Army National Guard of the United States, $33,000,000; and

(b) for the Army Reserve, $28,500,000.

(2) For the Department of the Navy: for the Naval and Marine Corps Reserves, $21,900,000.

(3) For the Department of the Air Force:

(a) for the Air National Guard of the United States, $89,800,000; and

(b) for the Air Force Reserve, $29,000,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529) and sections 2662, 4774, and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255) and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

NOTIFICATION ON USE OF LUMP-SUM AUTHORITY

SEC. 703. Section 2233a(1), of title 10, United States Code is amended—

(1) by striking the word "thirty" after the words "until after the expiration of" and inserting in lieu thereof the word "fifteen",

(2) by striking the words "Senate and the House of Representatives" after the words "Secretary of Defense or his designee notifies the" and inserting in lieu

thereof the words "Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives",

(3) by striking the words "Senate and the House of Representatives" after the words "damaged or destroyed, where the" in exception (b) and inserting in lieu thereof the words "Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives", and,

(4) by adding an additional exception, subsection (c), as follows:

"(c) Facilities contained on the list of projects supporting the annual lump sum authorization, providing that the location or nature of the facility have not changed, and that the estimated cost is within 125 per centum of the amount indicated on the supporting list.".

TITLE VIII—GENERAL PROVISIONS

REVISIONS TO MINOR CONSTRUCTION AUTHORITY

SEC. 801. Subsection 2674 of title 10, United States Code, is amended by—

(a) deleting in paragraph (b)(2)(A) the word "Defense" and substituting therefor "the military department or the Director of a defense agency concerned", and providing a period after the word "Congress" and deleting paragraph (b)(2)(B) entirely,

(b) deleting paragraph (3)(A) entirely, and renumbering paragraph (3)(B) to (3), and,

(c) deleting, in paragraph (f) the words "Secretary of Defense, for" and substituting therefor "Directors of".

CONTRACTS FOR ENERGY OR FUEL FOR MILITARY INSTALLATIONS

SEC. 802. (a) Chapter 141 of title 10 United States Code, relating to miscellaneous Procurement Provisions is amended by adding at the end thereof the following new section:

"§ 2393. Contracts for energy or fuel for military installations

"(a) Notwithstanding any other provisions of law, if the Secretary of a military department or the Director of a defense agency determines that it is in the interest of the Government to do so, the Secretary or Director concerned may—

"(1) develop for the use or benefit of the Department of Defense any geothermal energy resource within lands under his jurisdiction, including public lands, if such development will not deter commercial development and use of other portions of such resource if offered for leasing.

"(2) contract, for a period not to exceed thirty years, (A) for the provision and operation of energy production facilities on real property under the Secretary's or Director's control or on private property and (B) for the purchase of energy produced from such facilities.

"(3) contract, for a period not to exceed thirty years, for the purchase of fuel derived from waste materials, commonly known as refuse derived fuel (RDF), or other waste sources. Contracts for refuse derived fuel may provide for the collection and disposal of solid waste from a military installation and for the delivery to a military installation of refuse derived fuel that exceeds such installation's generation of solid waste.

"(b) Any contract under subsection (a) may be made only after the Committees on Armed Services of the Senate and House of Representatives have been notified of the terms of the proposed contract, including the estimated dollar value of such contract and the estimated amount of energy or fuel to be delivered to the Government under such contract.".

(b) The following provisions of law are repealed:

(1) Section 613 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 380).

(2) Section 803 of the Military Construction Authorization Act, 1979, as amended (Public Law 95-356; 92 Stat. 585).

ADVANCED PLANNING, CONSTRUCTION DESIGN, AND ARCHITECTURAL AND ENGINEERING SERVICES

Sec. 803. Section 612 of the Military Construction Authorization Act, 1967, as amended, (80 Stat. 756, codified at 31 U.S.C. 723a), is further amended as follows: delete "$250,000" and insert in lieu thereof "50 per centum of the amount set forth in section 2674(a) of title 10, United States Code", and (2) delete "30" and insert in lieu thereof "15."

RECYCLABLE MATERIAL

Sec. 804. Section 612 of the Military Construction Authorization Act, 1975 (Public Law 93-552; 88 Stat. 1765, 1766) is amended as follows: (1) delete "$50,000" and insert in lieu thereof "$200,000", and (2) delete the last sentence.

RESTORATION OR REPLACEMENT OF FACILITIES DAMAGED OR DESTROYED

Sec. 805. Section 2673 of title 10, United States Code, is amended to read as follows: "The Secretary of Defense after notifying the Committees on Armed Services of the Senate and House of Representatives, may acquire, construct, rehabilitate, and install temporary or permanent public works, including appurtenances, utilities, equipment, and the preparation of sites, to restore or replace facilities that have been damaged or destroyed. The project for replacement or restoration shall adhere to Department of Defense building criteria, and may be of sufficient size as to accommodate the most up-to-date requirements of the mission or function served by the damaged or destroyed facility.".

FAMILY HOUSING IMPROVEMENT AND MAINTENANCE

SEC. 806. Section 610(a) of the Military Construction Authorization Act, 1968 (Public Law 90–110; 81 Stat. 305), as amended, is amended further by striking out "$20,000" in the first sentence and inserting in lieu thereof "$30,000".

LEASING OF FAMILY HOUSING

SEC. 807. Section 2675(d) of title 10, United States Code, is amended to read as follows:

"(d) Expenditures for the rental of family housing in foreign countries (including the cost of operation, maintenance and utilities) may not exceed $1,400 per month for any one unit, provided, that not more than 29,132 family housing units may be leased in foreign countries at any one time, and provided further, that not more than 250 such housing units may exceed the cost limitations contained herein so long as such units are leased for incumbents of special positions or for personnel assigned to Defense attache offices or are leased in countries where the excessive cost of housing would cause an undue hardship on Department of Defense personnel, as follows:

"(1) For the Department of the Army, 18,573 units, of which 25 units may exceed the maximum dollar limitation prescribed in this subsection.

"(2) For the Department of the Navy, 1,874 units, of which 47 units may exceed the maximum dollar limitation prescribed in this subsection.

"(3) For the Department of the Air Force, 8,028 units, of which seven units may exceed the maximum dollar limitation prescribed in this subsection.

"(4) For the Defense Intelligence Agency, 354 units, of which 170 units may exceed the maximum dollar limitation prescribed in this subsection.

"(5) For the Defense Mapping Agency, one unit, which may exceed the maximum dollar limitation prescribed in this subsection.

"(6) For the National Security Agency, 302 units.".

MAXIMUM LIMITATIONS ON SPACE

SEC. 808. Section 2684 of title 10, United States Code is amended by adding at the end thereof the following new subsections:

"(e) The maximum limitations prescribed by subsection (a) do not apply to family quarters acquired or constructed by the Department of State for occupancy by members of the Armed Forces assigned to State Department missions.".

WAIVER OF RESTRICTIONS ON UNITED STATES ORIGIN CONSTRUCTION MATERIALS

SEC. 809. (a) Section 906 of the Military Construction Authorization Act, 1982, Public Law 97–99, 95 Stat. 1384 (1981) is amended as follows:

(1) in subsection (a) delete the phrase "subsections (b) and (c)" and insert in lieu thereof "subsections (b), (c) and (d)," and,

(2) add the following new subsection:

"(d) In extraordinary cases where the authority of the project manager under subsection (c) to authorize the use of materials not produced, manufactured, or refined in the United States is insufficient to ensure the orderly and timely construction of such projects, the secretary of the military department concerned may waive the restrictions of subsection (a).".

(b) Section 405 of the Military Construction Authorization Act, 1981 Public Law 96–418; 94 Stat. 1761 (1980) is amended as follows:

(1) delete subsection (e), and,

(2) amend subsection (f) to read as follows:

"(e) The provisions of subsection (c) of this section shall apply with respect to funds appropriated pursuant to section 201 and 301 for the construction of a naval support facility at Diego Garcia.".

TITLE IX

SEC. 901. There are authorized to be appropriated for fiscal year 1984 such sums as may be necessary for the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force to establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment.

97TH CONGRESS
2D SESSION

S. 1990

To amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing.

IN THE SENATE OF THE UNITED STATES

DECEMBER 16 (legislative day, NOVEMBER 30), 1981

Mr. THURMOND (for himself and Mr. HART) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

FEBRUARY 2 (legislative day, JANUARY 25), 1982

Committee discharged; re-referred to the Committee on Armed Services by unanimous consent

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A BILL

To amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Military Construction Codification Act".

ENACTMENT OF MILITARY CONSTRUCTION CHAPTER IN TITLE 10 AND TRANSFER OF RELATED PROVISIONS INTO THAT CHAPTER

SEC. 2. (a) Title 10, United States Code, is amended by adding at the end of subtitle A the following new chapter:

"CHAPTER 169—MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING

"Subchapter	Sec.
"I. Military Construction	2801
"II. Military Family Housing	2821
"III. Administration of Military Construction and Military Family Housing	2851

"SUBCHAPTER I—MILITARY CONSTRUCTION

"Sec.
"2801. Military construction projects.
"2802. Emergency construction.
"2803. Contingency construction.
"2804. Minor construction.
"2805. Contributions for North Atlantic Treaty Organization Infrastructure.
"2806. Restoration or replacement of facilities damaged or destroyed.
"2807. Authorized cost variations for military construction projects.
"2808. Advance planning, construction design, and architectural and engineering services.
"2809. Construction authority in the event of a declaration of war or national emergency.
"2810. Definitions.

"§ 2801. Military construction projects

"(a) The Secretary of Defense and the Secretaries of the military departments may carry out such military construction projects as are authorized by law.

"(b) Authority provided by law to carry out a military construction project under this chapter includes authority for—

"(1) acquisition of land and interests in land (including temporary interests) incident to the project;

"(2) surveys and site preparation;

"(3) acquisition, conversion, rehabilitation, and installation of permanent and temporary facilities;

"(4) acquisition and installation of appurtenances, supporting facilities, and utilities integral to the project;

"(5) acquisition and installation of equipment integral to the project; and

"(6) planning, supervision, administration, and overhead incident to the project.

"(c) Authority provided by law to acquire land or interests in land (including temporary interests) under this chapter incident to a military construction project includes authority—

"(1) to make surveys; and

"(2) to acquire that land or interests in land by purchase, gift, exchange of Government-owned land, or otherwise.

"§ 2802. Emergency construction

"(a) Subject to subsections (b) and (c), the Secretary of each military department and the Secretary of Defense, for the defense agencies, may carry out a military construction project not otherwise authorized by law if the Secretary of Defense determines that deferral of that project for inclusion in the next Military Construction Authorization Act would be inconsistent with the interests of national security.

"(b) When a decision is made to carry out a military construction project under this section, the Secretary of the military department concerned or Secretary of Defense, for the defense agencies, shall submit a report in writing to the appropriate committees of Congress on that decision. Any such report shall include the justification for the project and the current estimate of the cost of the project and the justification for carrying out the project under this section. Such project may then be carried out only (1) after the end of the 15-day period beginning on the date the notification is received by the committees, or (2) after each such committee has approved of the project, if the committees approve of the project before the end of that period.

"(c) A military construction project carried out under this section shall be carried out within the total amount of funds appropriated for military construction for the military department concerned (or for the defense agencies) that have not been obligated or expended.

"§ 2803. Contingency construction

"(a) Within amounts authorized by law for such purpose for any fiscal year, the Secretary of Defense may carry out a military construction project not otherwise authorized by law if the Secretary determines that the project is vital to the security of the United States.

"(b) When a decision is made to carry out a military construction project under this section, the Secretary of Defense shall submit a report in writing to the appropriate committees of Congress on that decision. Any such report shall include the justification for the project and the current estimate of the cost of the project and the justification for carrying out the project under this section. Such project may then be carried out only (1) after the end of the 15-day period beginning on the date the notification is received by the committees, or (2) after each such committee has approved of the project, if the committees approve of the project before the end of that period.

"§ 2804. Minor construction

"(a)(1) Within the amount authorized by law for such purpose for any fiscal year, the Secretary of a military department or the Director of a defense agency may carry out minor military construction projects not otherwise authorized by law. A minor military construction project is a military construction project with an approved cost of not more than $1,000,000.

"(2) This subsection does not authorize the construction of military family housing.

"(b) Notwithstanding the maximum cost prescribed for a minor military construction project in subsection (a), the cost authorized for a minor military construction project may be increased—

"(1) to not more than 110 percent of the amount specified in subsection (a), if the Secretary of Defense determines that such an increase is required for the sole purpose of meeting unusual variations in cost and that such variations in cost could not have been reasonably anticipated at the time the project was originally approved by Congress; and

"(2) to more than 110 percent but not more than 125 percent of the amount specified in subsection (a), if (A) the Secretary of Defense determines that such an increase is required for the sole purpose of meeting unusual variations in cost and that such variations in cost could not have been reasonably anticipated at the time the project was originally approved by Congress, (B) the Secretary of Defense has notified the appropriate committees of Congress in writing that he has made those determinations with respect to the project, and (C) a 15-day period has elapsed after the date the notification is received by the committees or both committees approve such increase before the expiration of the 15-day period.

"(c)(1) Except as provided in paragraph (2), a minor military construction project costing more than 75 percent of the amount specified in subsection (a) may not be carried out unless approved in advance by the Secretary of Defense, and a project costing more than 50 percent of that amount may not be carried out unless approved in advance by the Secretary of the military department or the Director of the defense agency concerned.

"(2) Approval under this subsection is not required if the project has been authorized in a Military Construction Authorization Act.

"(d) In addition to funds authorized to be appropriated to a military department or to the defense agencies for minor construction projects, the Secretary of a military department or the Director of a defense agency may spend, from appropriations available for operations and maintenance, amounts necessary to carry out any military construction project costing not more than 10 percent of the amount specified in subsection (a).

"(e)(1) When a decision is made to carry out a minor military construction project under this section costing more than 50 percent of the amount specified in subsection (a), the Secretary of each military department and the Secretary of Defense, for the defense agencies, shall notify in writing the appropriate committees of the Senate and House of Representatives of that decision, of the justification for that project, and of the estimated cost of the project. The project may then be carried out only (A) after the end of the 15-day period beginning on the date the notification is received by the committees, or (B) after each such committee approves of the project, if the committees approve of the project before the end of that period.

"(2) Notice under this subsection is not required in the case of a project that has been authorized in an annual Military Construction Authorization Act.

"§2805. Contributions for North Atlantic Treaty Organization Infrastructure

"(a) The Secretary of Defense may make contributions in amounts authorized by law for the United States share of the cost of multilateral programs for the acquisition and construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area.

"(b) Within 30 days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the appropriate committees of Congress a description of the obligations incurred by the United States during the preceding quarter for the United States share of the cost of such multilateral programs.

"(c)(1) The Secretary of Defense may increase the amount authorized by law for contribution under subsection (a) in any fiscal year by not more than 25 percent.

"(2) If the Secretary determines that the amount authorized for contribution under subsection (a) in any year must be increased by more than 25 percent, the Secretary may proceed with contributions at such higher level (1) after submitting a report in writing to the appropriate committees of Congress on such increase, including a statement of the reasons for the increase, and (2) after either a period of 15 days has elapsed from the date of receipt of the report or each such committee has indicated approval of the increased contribution.

"§ 2806. Restoration or replacement of facilities damaged or destroyed

"(a) Subject to subsection (b) and within the total amount of funds appropriated for military construction that have not been obligated or expended, the Secretary of Defense and the Secretary of each military department may carry out a military construction project not otherwise authorized by law if the project is necessary to restore or replace any facility that has been damaged or destroyed by fire, explosion, earthquake, flood, or act of God.

"(b) When a decision is made to carry out a military construction project under this section, the Secretary of Defense shall notify in writing the appropriate committees of Congress of that decision, of the justification for the project, of the current estimate of the cost of the project, and of the justification for carrying out the project under this section. The project may then be carried out only (1) after the end of the 15-day period beginning on the date the notification is received by such committees, or (2) after each such committee approves of the project, if those committees approve of the project before the end of the period.

"§ 2807. Authorized cost variations for military construction projects

"(a) Except as provided in subsection (d), a military construction project (other than a minor military construction project) for which the amount authorized by Congress is less than $10,000,000 may not be placed under contract if, based upon bids received—

"(1) the scope of work for the project, as approved by the Congress, is proposed to be reduced by more than 25 percent; or

"(2) the current working estimate of the cost of the project exceeds by more than 25 percent the amount authorized for the project by the Congress.

"(b) Except as provided in subsection (d), a military construction project for which the amount authorized by Congress is $10,000,000 or more but less than $100,000,000 may not be placed under contract if, based upon bids received—

"(1) the scope of work for the project, as approved by the Congress, is proposed to be reduced by more than 10 percent; or

"(2) the current working estimate of the cost of the project exceeds by more than 10 percent the amount authorized for the project by the Congress.

"(c) Except as provided in subsection (d), a military construction project for which the amount authorized by Congress is $100,000,000 or more may not be placed under contract if, based upon bids received—

"(1) the scope of work for the project, as approved by the Congress, is proposed to be reduced by more than 5 percent; or

"(2) the current working estimate of the cost of the project exceeds by more than 5 percent the amount authorized for the project by the Congress.

"(d) The prohibitions in subsections (a), (b), and (c) do not apply if the reduction in scope of work or the increase in cost, as the case may be, is approved by the Secretary of Defense and a written notification of the facts relating to the proposed reduced scope of work or increased cost (including a statement of the reasons therefor) is submitted by the Secretary concerned or Director of the defense agency concerned to the appropriate committees of Congress. A contract for the project may not then be awarded until either (1) a period of 15 days elapses from the date the notification is received by those committees, or (2) before the end of that period each such committee approves the proposed reduced scope of work or increased cost.

"§ 2808. Advance planning, construction design, and architectural and engineering services

"(a) Within the amounts authorized by law for such purposes for any fiscal year, the Secretary of Defense and the Secretaries of the military departments may carry out advance planning and construction design and may obtain architectural and engineering services in connection with (1) military construction projects not otherwise authorized by law, and (2) construction management of projects that are funded by foreign governments directly or through international organizations and for which military forces of the United States are the sole or primary user.

"(b) In the case of advance planning, construction design, and architectural and engineering services to be undertaken under subsection (a) for which the estimated cost exceeds $250,000, the Secretary of Defense shall notify the appropriate committees of Congress of the scope of the proposed project and the estimated cost of such services not less than 15 days before the initial obligation of funds for such services.

"§ 2809. Construction authority in the event of a declaration of war or national emergency

"(a) In the event of a declaration of war or the declaration by the President of a national emergency in accordance with the National Emergencies Act (50 U.S.C. 1601 et seq.) requiring use of the armed forces, the Secretary of Defense may, without regard to any other provision of law, undertake military construction projects necessary to support such use within the total amount of funds that have been appropriated for military construction, including funds appropriated for family housing, that have not been obligated.

"(b) The authority described in subsection (a) shall terminate at the end of the war or national emergency.

"(c) When a decision is made to undertake military construction projects authorized by this section, the Secretary of Defense shall notify the appropriate committees of Congress of the decision and of the estimated cost of the construction projects, including the cost of any real estate action pertaining to those construction projects.

"§ 2810. Definitions

"(a) A military construction project is a single undertaking at a military installation that includes all construction work, land acquisition, and installation of equipment necessary to accomplish a specific purpose, and to produce a complete and usable facility or a complete and usable improvement to an existing facility.

"(b) In this chapter:

"(1) 'Military installation' means a camp, post, station, base, yard, or other facility under the jurisdiction of the Secretary of a military department.

"(2) 'Appropriate committees of Congress' means the Committees on Armed Services and on Appropriations of the Senate and House of Representatives.

"SUBCHAPTER II—MILITARY FAMILY HOUSING

"Sec.
"2821. Requirement for authorization of appropriations for construction and acquisition of military family housing.
"2822. Requirement for authorization of number of family housing units.
"2823. Determination of availability of suitable private housing for acquisition in lieu of construction of new family housing.
"2824. Authorization for acquisition of existing family housing in lieu of construction.
"2825. Authorized cost variation.
"2826. Improvements to family housing units: cost limitation.
"2827. Limitations on space by pay grade.
"2828. Relocation of military family housing units.
"2829. Leasing of military family housing.
"2830. Multiyear contracts for supplies and services.
"2831. Occupancy of inadequate family housing units.
"2832. Settlement of contractor claims on military family housing.
"2833. Military family housing management account.
"2834. Homeowners assistance program.

"§ 2821. Requirement for authorization of appropriations for construction and acquisition of military family housing

"(a)(1) Funds may not be appropriated for the construction, acquisition, leasing, addition, extension, expansion, alteration, relocation, or operation and maintenance of family housing under the jurisdiction of the Department of Defense unless the appropriation of such funds has been authorized by law.

"(2) Amounts authorized to be appropriated for such purposes that are for salary, pay, retirement benefits, or other benefits for Federal employees may be administratively increased by such amounts as may be necessary for increases in such benefits authorized by law.

"(b) Authority of the Secretary of Defense provided by law to construct military family housing units and to acquire mobile home facilities includes authority to acquire land and interests in land by gift, purchase, exchange of Government-owned land, or otherwise.

"(c) Amounts authorized by law for construction of military family housing units include amounts for (1) land acquisition, (2) site preparation (including demolition), (3) installation of utilities, (4) shades, screens, ranges, refrigerators, and all other equipment and fixtures installed in such units, and (5) construction supervision, inspection, and overhead.

"§ 2822. Requirement for authorization of number of family housing units

"(a) Except as otherwise provided in subsection (b), the Secretary of Defense may not construct or acquire military family housing units unless the number of units to be constructed or acquired has been specifically authorized by law.

"(b) Subsection (a) does not apply to the following:

"(1) Housing units acquired under section 404 of the Housing Amendments of 1955 (42 U.S.C. 1594a).

"(2) Housing units leased in foreign countries for terms of 1 year, whether renewable or not, or for terms of not more than 10 years under section 2829 of this title.

"(3) Housing units acquired under the authority of the Secretary of Defense described in section 2834 of this title.

"§ 2823. Determination of availability of suitable private housing for acquisition in lieu of construction of new family housing

"(a) Before entering into a contract for the construction of family housing units authorized by law to be constructed at a location within the United States, the Secretary of Defense shall consult with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. The Secretary of Housing and Urban Development shall advise the Secretary of Defense as to the availability of such housing. If the Secretary of Housing and Urban Development does not advise the Secretary of Defense as to the availability of such housing within 30 days of the date on which the request for such advice is made, the Secretary of Defense may enter into a contract for the proposed construction.

"(b) If the Secretary of Defense and the Secretary of Housing and Urban Development disagree with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the appropriate committees of the Senate and House of Representatives, in writing, of such disagreement, and a contract for construction of family housing units at such location may not then be entered into until the end of the 30-day period beginning on the date those committees receive such notification. Upon the expiration of such 30-day period, the Secretary may enter into such a contract.

"(c) If the Secretary and the Secretary of Housing and Urban Development agree that suitable private housing is available at a location at which military family housing units are authorized to be constructed, the Secretary may not proceed with such construction, but shall provide for such military family housing units by the acquisition of such private housing in accordance with section 2824 of this title.

"(d) In this section, 'suitable private housing' means existing housing that is not owned by any governmental entity and that meets current Department of Defense standards with respect to size, quality of construction, maintainability, location, and energy conservation.

"§ 2824. Authorization for acquisition of existing family housing in lieu of construction

"(a) In lieu of constructing any family housing units authorized by law to be constructed, the Secretary of Defense may acquire sole interest in existing family housing units that are privately owned or that are held by the Department of Housing and Urban Development, except that in foreign countries the Secretary may acquire less than sole interest in existing family housing units.

"(b) The net floor area of a family housing unit acquired under the authority of this section may not exceed the applicable limitation specified in section 2827 of this title.

"(c) Family housing units may not be acquired under this section through the exercise of eminent domain authority.

"§ 2825. Authorized cost variation

"The Secretary of Defense may authorize the total cost of construction and acquisition for military family housing units authorized by law at any installation or facility to exceed the amount authorized for such construction and acquisition by not more than 10 percent if the Secretary determines that the increase is required for the sole purpose of meeting unforeseen variations in cost and could not have been reasonably anticipated at the time the estimate of the cost of the construction was submitted to Congress.

"§ 2826. Improvements to family housing units: cost limitation

"(a) Authority provided by law to improve existing military family housing units is limited to authority to make alterations, additions, expansions, and extensions.

"(b)(1) Funds may not be expended for the improvement of any single family housing unit, or for the improvement of two or more housing units that are to be converted into or are to be used as a single family housing unit, if the cost of such improvement will exceed $20,000 per unit (adjusted by the area construction cost index as developed by the Department of Defense for the location concerned at the time of contract award).

"(2) In determining the applicability of the limitation contained in paragraph (1), there shall be included as part of the cost of the improvement the cost of repairs undertaken in connection with the improvement and any cost in connection with (A) the furnishing of electricity, gas, water and sewage disposal, (B) the construction or repair of roads and walks, and (C) grading and drainage work.

"(3) In this subsection, 'improvement' includes rehabilitation of a housing unit and maintenance or repair work to be accomplished concurrently with an improvement project.

"(4) This subsection does not apply to projects authorized for restoration or replacement of housing units that have been damaged or destroyed by accident or act of God.

"§ 2827. Limitations on space by pay grade

"(a) In the construction, acquisition, improvement, and leasing of military family housing units, the following are the space limitations for the applicable numbers of bedrooms permitted for each pay grade:

Pay grade	Number of bedrooms	Net floor area (square feet)
0-7 and above	4	2,100
0-6	4	1,700
0-4 and 0-5	4	1,550
	3	1,400
0-1 through 0-3; W-1 through W-4; and E-7 through E-9.	5	1,550
	4	1,450
	3	1,350
	2	950
E-1 through E-6	5	1,550
	4	1,350
	3	1,200
	2	950

"(b) The applicable maximum net floor area prescribed by subsection (a) may be increased by 10 percent for the housing unit of an officer holding a special command position (as designated by the Secretary of Defense) and for the housing unit of the commanding officer of any military installation.

"(c) The maximum net floor area prescribed by subsection (a) may be increased in any case by 5 percent if the Secretary of Defense determines that the increase is in the best interest of the Government (1) to permit award of a turnkey construction contract to the contractor offering the most satisfactory proposal, or (2) to permit purchase, lease, or conversion of housing units. An increase in the maximum net floor area of a housing unit under subsection (b) when combined with an increase in the maximum net floor area of such unit under this subsection may not exceed 10 percent of the otherwise applicable limitation prescribed by subsection (a).

"(d)(1) The Secretary of Defense may waive the provisions of subsection (a) with respect to a family housing unit leased in a foreign country if a suitable family housing unit within the applicable maximum net floor area prescribed by such subsection cannot be obtained.

"(2) Subsection (a) does not apply to family housing units in foreign countries obtained by the Secretary of State for members of the armed forces.

"(e) The maximum net floor areas prescribed by this section apply to family housing provided to civilian personnel based upon civilian pay scale comparability with military pay grades, as determined by the Secretary of Defense.

"(f) In this section, 'net floor area' means the total number of square feet of the floor space inside the exterior walls of a structure, excluding the floor area of an unfinished basement, an unfinished attic, a utility space, a garage, a carport, an open or insect-screened porch, a stairwell, and any space used for a solar-energy system.

"§ 2828. Relocation of military family housing units

"(a) Subject to subsection (b), the Secretary of Defense may relocate military family housing units from any location where the number of such units exceeds requirements for military family housing to any military installation where there is a housing shortage.

"(b) A contract to carry out a relocation of military family housing units under subsection (a) may not be awarded until (1) the Secretary of Defense has notified the appropriate committees of Congress of the proposed new locations of the housing units to be relocated and the estimated cost of the relocation, and (2) a period of 15 days has elapsed after the notification has been received by those committees.

"§ 2829. Leasing of military family housing

"(a)(1) The Secretaries of the military departments and the Directors of the defense agencies may lease housing facilities at or near a military installation for assignment, without rental charge, as family housing to members of the armed forces stationed at such installation.

"(2) A lease may not be made under paragraph (1) unless the Secretary of Defense finds that there is a shortage of adequate housing at or near such military installation and that, with respect to such installation—

"(A) the requirement for such housing is temporary;

"(B) leasing would be more cost effective than construction or acquisition of new housing;

"(C) family housing is required for personnel attending service school academic courses on permanent change of station orders;

"(D) construction of family housing at such installation has been authorized by law but is not yet completed; or

"(E) a military construction authorization bill pending in Congress includes a request for authorization of construction of family housing at such installation.

"(b)(1) Not more than 10,000 family housing units may be leased in the United States, Puerto Rico, and Guam at any one time under subsection (a).

"(2) Except as provided in paragraph (3), expenditures for the rental of housing units in the United States, Puerto Rico, and Guam (including the cost of utilities, maintenance, and operation) may not exceed $515 per month for any unit.

"(3) The Secretary of Defense may lease not more than 500 housing units in the United States, Puerto Rico, and Guam under this section for which the expenditure for the rental of such units (including the cost of utilities, maintenance, and operation) exceeds $515 per month but does not exceed $600 per month.

"(c) In addition to the authority to lease housing facilities in foreign countries under the circumstances specified in subsection (a), the Secretaries of the military departments and the Directors of the defense agencies may lease housing facilities in foreign countries for assignment as military family housing—

"(1) for incumbents of special command positions (as determined by the Secretary of Defense);

"(2) for key and essential civilian personnel;

"(3) in countries where excessive costs of housing or other lease terms would cause undue hardship on Department of Defense personnel; and

"(4) in countries that prohibit leases by individual military or civilian personnel of the United States.

"(d) Leases of housing units in foreign countries under subsection (a) or (c) for assignment as military family housing may be for any period not in excess of 10 years, and the costs of such leases for any year may be paid out of annual appropriations for operation and maintenance for that year.

"(e)(1) Expenditures for the rental of family housing in foreign countries (including the costs of utilities, maintenance, and operation) may not exceed $1,115 per month for any unit. The Secretary of Defense may waive the cost limitations specified in the preceding sentence with respect to not more than 250 such units that are leased for incumbents of special positions or for personnel assigned to Defense Attaché Offices or that are leased in countries where excessive costs of housing would cause undue hardship on Department of Defense personnel.

"(2) Not more than 22,000 family housing units may be leased by the Secretary of Defense in foreign countries at any one time.

"(f) A lease for a family housing unit, or for any real property related to a family housing unit, in a foreign country for which the average estimated annual rental during the term of the lease exceeds $250,000 may not be made under this section until (1) the Secretary of Defense provides to the appropriate committees of Congress written notification of the facts concerning the proposed lease, and (2) a period of 30 days elapses after the notification is received by those committees.

"§ 2830. Multiyear contracts for supplies and services

"The Secretary of Defense may make contracts for periods of up to 5 years for supplies and services for the management, maintenance, and operation of military family housing and may pay the costs of such contracts for each year out of annual appropriations for operation and maintenance of military family housing for that year.

“§ 2831. Occupancy of inadequate family housing units

“(a)(1) A member of the uniformed services with dependents may, without loss of the member's basic allowance for quarters, occupy an inadequate family housing unit under the jurisdiction of the Secretary of a military department.

“(2) Occupancy of a family housing unit under paragraph (1) shall be subject to a charge against the member's basic allowance for quarters in the amount of the fair rental value of the housing unit. However, such a charge may not be made in an amount in excess of 75 percent of the amount of such allowance, except that in no event may the amount of such charge be less than the cost of operation and maintenance of such unit (up to 100 percent of the amount of such allowance).

“(b) Subject to regulations prescribed by the Secretary of Defense, the Secretary of a military department may lease inadequate family housing units to members of any of the uniformed services for occupancy by such members.

“(c) In this section, the term ‘uniformed services’ means the armed forces and the Commissioned Corps of the Public Health Service and of the National Oceanic and Atmospheric Administration.

“§ 2832. Settlement of contractor claims on military family housing

“If the proposed settlement of a contractor claim arising out of the construction of new military family housing or the improvement of existing military family housing would cause authorized cost limitations on the construction or improvement of military family housing to be exceeded, the Secretary of the military department concerned may proceed with the settlement of such claim after (1) he has submitted a report regarding such claim, including the amount of the proposed settlement, to the appropriate committees of Congress, and (2) a period of 15 days has elapsed after the date of submission of the report to those committees.

"§ 2833. Military family housing management account

"(a) There is on the books of the Treasury an account known as the Department of Defense Military Family Housing Management Account (hereinafter in this section referred to as the 'account'). The account shall be used for the management and administration of funds appropriated or otherwise made available to the Department of Defense for military family housing programs.

"(b) The account shall be administered by the Secretary of Defense as a single account. There shall be transferred into the account—

"(1) appropriations made to the Department of Defense for the purpose of, or which are available for, the payment of costs arising in connection with the construction, acquisition, leasing, relocation, operation and maintenance, and disposal of military family housing, including the cost of principal and interest charges, and insurance premiums, arising in connection with the acquisition of such housing, and mortgage insurance premiums payable under section 222(c) of the National Housing Act (12 U.S.C. 1715m(c));

"(2) proceeds from the rental of family housing and mobile home facilities under the control of the Department of Defense, reimbursements from the occupants of such facilities for services rendered (including utility costs), funds obtained from individuals as a result of losses, damages, or destruction to such facilities caused by the abuse or negligence of such individuals, and reimbursements from other Government agencies for expenditures from the account; and

"(3) proceeds of the handling and the disposal of family housing of the Department of Defense (including related land and improvements), whether carried out by the Department of Defense or any other Federal agency, but less those expenses payable pursuant to section 204(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(b)).

"(c) Amounts in the account shall remain available until expended.

"(d) The Secretary of Defense may make obligations against the account, in such amounts as may be specified from time to time in appropriation Acts, for the purpose of defraying, in the manner and to the extent authorized by law, the costs referred to in subsection (b).

"§ 2834. Homeowners assistance program

"The Secretary of Defense may exercise the authority provided in section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374).

"SUBCHAPTER III—ADMINISTRATION OF MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING

"Sec.
"2851. Military construction projects: waiver of certain restrictions.
"2852. Use of solar energy systems.
"2853. Supervision of military construction projects.
"2854. Military construction contracts.
"2855. Limitations on size of permanent barracks and on cost per square foot of permanent barracks and unaccompanied officer quarters.
"2856. Facilities for defense agencies.
"2857. Availability of appropriations until spent.
"2858. Limitations on the use of funds appropriated for military construction.
"2859. Annual report to Congress on military construction.
"2860. Transmission of annual military construction authorization request.
"2861. Design for fallout protection.

"§ 2851. Military construction projects: waiver of certain restrictions

"(a) The Secretary of Defense and the Secretaries of the military departments may carry out authorized military construction projects and authorized military family housing projects without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(b) Authority to carry out a military construction project or a military family housing project on land not owned by the United States may be exercised before title to the land on which the project is to be carried out is approved under section 355 of the Revised Statutes (40 U.S.C. 255) and may be carried out even though the land is held temporarily.

"§ 2852. Use of solar energy systems

"(a)(1) The Secretary of Defense shall encourage the use of solar energy as a source of energy for military construction projects (including military family housing projects) where use of solar energy would be practical and economically feasible.

"(2) The Secretary shall require that the design of all new facilities (including family housing) shall include consideration of solar energy systems in those cases in which use of solar energy has the potential for significant savings of fossil-fuel-derived energy.

"(3) The Secretary shall require that contracts for construction resulting from such design include a requirement that the contractor furnish and install solar energy systems if such systems can be shown to be cost effective.

"(b)(1) For the purposes of this section, a solar energy system for a facility shall be considered to be cost effective if the difference between (A) the original investment cost of the energy system for the facility with a solar energy system, and (B) the original investment cost of the energy system for the facility without a solar energy system can be recovered over the expected life of the facility.

"(2) A determination under paragraph (1) of whether a cost-differential can be recovered over the expected life of a facility shall be made using accepted life-cycle costing procedures and shall include—

"(A) the use of all capital expenses and all operating and maintenance expenses associated with the energy system with and without a solar energy system over the expected life of the facility or during a period of 25 years, whichever is shorter;

"(B) the use of fossil fuel costs (and a rate of inflation for fossil fuel costs) as determined by the Secretary of Defense; and

"(C) the use of a discount rate of 7 percent per year for all expenses of the energy system.

"(3) For the purposes of this subsection (including any life-cycle cost analysis under this subsection), the original investment cost of a solar energy system shall be reduced by 10 percent as an investment cost credit.

"(c) In order to equip a military construction project (including a military family housing project) with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary may authorize an increase in any otherwise applicable limitation with respect to the number of square feet or the cost per square foot of the project by such amount as may be necessary for such purpose. Any such increase under this subsection shall be in addition to any other administrative increase in cost per square foot or variation in floor area authorized by law.

"§ 2853. Supervision of military construction projects

"Each contract entered into by the United States in connection with a military construction project or a military family housing project shall be carried out under the direction and supervision of the Secretary of the Army (acting through the Chief of Engineers), the Secretary of the Navy (acting through the commander of the Naval Facilities Engineering Command), or such other department or Government agency as the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective completion of the project.

"§ 2854. Military construction contracts

"(a) Except as provided under subsection (b), a contract entered into by the United States in connection with a military construction project or a military family housing project shall be awarded, insofar as is practicable, on a competitive basis to the lowest responsible bidder.

"(b)(1) Subsection (a) does not apply if the award of a contract to the lowest responsible bidder may impair the national security or if the award would not be consistent with chapter 137 of this title.

"(2) Architect and engineering contracts in connection with a military construction project or a military family housing project shall be awarded in accordance with title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541–544).

"§2855. Limitations on size of permanent barracks and on cost per square foot of permanent barracks and unaccompanied officers quarters

"(a)(1) The maximum allowable total square foot area for a military construction project for new permanent barracks is the product of—

"(A) the number of design occupants of the proposed facility (as determined under paragraph (2)); and

"(B) 160 square feet.

"(2) The number of design occupants of a proposed facility is the sum of—

"(A) the number of enlisted personnel in pay grades E–1 through E–4 to be housed in the facility;

"(B) two times the number of enlisted personnel in pay grades E–5 through E–6 to be housed in the facility; and

"(C) three times the number of enlisted personnel in pay grades E-7 through E-9 to be housed in the facility.

"(b)(1) The cost per square foot of a military construction project for permanent barracks or for unaccompanied officers quarters that is authorized for a location inside the United States may not exceed the applicable cost per square foot prescribed in accordance with paragraph (2) unless the Secretary of Defense determines that, because of special circumstances, limitation to such cost per square foot would be impracticable.

"(2) The maximum cost per square foot of a project described in paragraph (1) shall be determined in proportion to the appropriate area construction cost index based on a cost where the area construction cost index is 1.0 of $53 per square foot for permanent barracks and of $57 per square foot for unaccompanied officers quarters.

"(3) Whenever the limitations contained in paragraph (2) on costs per square foot projects are increased or decreased, the new limitations shall be applicable to a project authorized before the effective date of the new limitations if on such effective date the authorization for that project has not expired and a construction contract has not been awarded for that project.

"§ 2856. Facilities for defense agencies

"A military construction project for an activity or agency of the Department of Defense (other than a military department), and the operation, maintenance, and repair of a real property facility of the Department of Defense used by such an activity or agency, shall be accomplished by or through a military department designated by the Secretary of Defense. A real property facility under the jurisdiction of the Department of Defense that is used by an activity or agency of the Department of Defense (other than a military department) shall be under the jurisdiction of a military department designated by the Secretary of Defense.

"§ 2857. Availability of appropriations until spent

"Funds appropriated to the Department of Defense for military construction (including military family housing) remain available until spent.

"§ 2858. Limitations on the use of funds appropriated for military construction

"(a)(1) Funds appropriated for military construction may not be used to begin construction of a new military installation within the continental United States unless such funds have been specifically appropriated for such construction.

"(2) In this subsection, 'military installation' means a camp, post, station, base, yard, or other facility under the jurisdiction of the Secretary of a military department.

"(b) Funds appropriated for military construction (including military family housing) may not be expended for additional costs involved in expediting a construction project unless the Secretary of Defense (1) certifies that expenditures for such costs are necessary to protect the national interest, and (2) establishes a reasonable completion date for the project. In establishing such a completion date, the Secretary shall take into consideration the urgency of the requirement for completion of the project, the type and location of the project, the climatic and seasonal conditions affecting the construction involved, and the application of economical construction practices.

"(c) Funds appropriated for military construction (including military family housing) may not be expended for payments under a cost-plus-a-fixed-fee contract for work to be performed within the United States (other than in Alaska) for which cost estimates exceed $25,000 unless the Secretary of Defense has specifically approved the payments and has stated his approval and the reasons for such approval in writing.

"(d) Funds appropriated for military construction (including military family housing) may not be used to make payments in connection with a military construction project in a foreign country unless the Secretary of Defense, after consultation with the Secretary of the Treasury, determines that the use (by purchase from the Treasury) of currencies of such country that are owned by the United States is not feasible for such purpose and certifies that determination to the Congress in writing together with a statement of the Secretary's reasons for that determination.

"(e) Funds appropriated for military construction may not be used to acquire land, provide for site preparation, or install utilities for a military family housing project unless funds for the project have been made available in an appropriation Act.

"(f) Funds appropriated for military construction (including military family housing) may not be used for the construction, replacement, or reactivation of any bakery, laundry, or dry cleaning facility in the United States (or the territories or possessions of the United States) unless the Secretary of Defense certifies in writing that the services to be furnished by the facility are not obtainable from commercial sources at reasonable rates. Any such certification shall include the Secretary's reasons for the certification.

"§2859. Annual report to Congress on military construction

"(a) The Secretary of Defense shall submit a report to the appropriate committees of Congress not later than January 15 of each year with respect to military construction activities and military family housing activities during the preceding fiscal year.

"(b) Each report under subsection (a) shall include a listing of each military construction project (other than a minor military construction project carried out under section 2805 of this title) placed under contract during the preceding fiscal year with respect to which (1) the current working estimate of the Department of Defense for the cost of the project exceeds the amount authorized for the project by Congress by more than 25 percent, or (2) the scope of work has been reduced by more than 25 percent from that authorized by Congress in order to permit a contract award within the available authorization for the project. Each such report shall also include all pertinent cost information with respect to each project listed in such report pursuant to the preceding sentence and, in the case of a project described in clause (1), shall include the amount, expressed in dollars and as a percentage, by which the current working estimate of the cost of the project exceeds the amount authorized for the project by Congress.

"(c) Each report under subsection (a) shall also include a statement setting forth the dollar value of construction contracts completed during the preceding fiscal year by each military construction agency specified or designated under section 2853 of this title and the fees charged by each such construction agency during such year for design, construction supervision, inspection, and overhead in the execution of military construction projects.

"(d) Each report under subsection (a) shall also include with respect to each contract awarded during the preceding fiscal year on other than a competitive basis to the lowest responsible bidder the following information: the name of the contractor, the original amount of the contract, and the reason for the award of the contract on other than a competitive basis.

"(e) Each report under subsection (a) shall also show the names of each of the 10 architect-engineering firms that were awarded the largest aggregate amount of business (measured by total dollar value of contracts entered into) during the preceding fiscal year, the number of separate contracts awarded each such firm during such year, and the total amount paid or to be paid to each such firm under all such contracts awarded to such firm.

"(f) Each report under subsection (a) shall also include a listing of all minor construction contracts awarded during the preceding fiscal year.

"§2860. Transmission of annual military construction authorization request

"The Secretary of Defense shall transmit to Congress the annual request for military construction authorization for a fiscal year during the first 10 days after the President transmits to Congress the Budget for that fiscal year pursuant to section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11).

"§ 2861. Design for fallout protection

"(a) Each military construction project shall be designed using techniques to provide maximum nuclear fallout protection if such a design can be accomplished without impairing the purpose for which the construction is authorized and without impairing the effectiveness of the facility to be constructed. Under regulations prescribed by the Secretary of Defense, the Secretary may exempt any facility from the requirements of the preceding sentence.

"(b) The Secretary of Defense shall make appropriate provision for the use of technical design and construction methods to assure compliance with this section.

"(c) Expenditures on an individual project for the purposes of this section may not exceed 1 percent of the amount authorized for that project. The authorization in the preceding sentence may be averaged and applied to one of two or more facilities, or among projects on an installation, if such application will result in more fallout shelter space or is needed to meet minimum nuclear fallout protection standards in such facilities or projects.".

(b) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of title 10, United States Code, are amended by adding at the end thereof the following:

"169. Military Construction and Military Family Housing .... 2801".

AMENDMENTS RELATING TO FACILITIES FOR RESERVE COMPONENTS

SEC. 3. (a) Subsection (f) of section 2233 of title 10, United States Code, is amended to read as follows:

"(f)(1) Authority provided by law to construct, expand, rehabilitate, convert, or equip any facility, or to make contributions for such purposes, under this section includes authority to expend funds for surveys, administration, overhead, planning, and supervision incident to any such activity.

"(2) Authority provided by law to acquire real estate, or to make contributions for the acquisition of real estate, under this section includes authority to make surveys and to acquire interests in land (including temporary interests) by purchase, gift, exchange of Government-owned land, or otherwise.".

(b)(1) Chapter 133 of such title is amended by adding at the end thereof the following new section:

"§ 2239. Waiver of certain restrictions

"(a) The Secretary of Defense and the Secretary of each military department may make expenditures and contributions under section 2233 of this title without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(b) Authority provided by law to place permanent or temporary improvements on lands under section 2233 of this title, or to make contributions for such purpose under such section, may be exercised before title to the land on which the improvement is located (or is to be located) is approved under section 355 of the Revised Statutes (40 U.S.C. 255), and even though the land is held temporarily.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2239. Waiver of certain restrictions.".

(c)(1) Clause (1) of section 2232 of such title is amended to read as follows:

> "(1) 'State' means any of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and each territory and possession of the United States and includes political subdivisions and military units thereof and tax-supported agencies therein.".

(2) Sections 2233(a)(2), 2233(a)(3), 2233(a)(4), 2236(c), 2236(d), and 2237(b) of such title are amended by striking out "or Territory, Puerto Rico, or the District of Columbia".

(3) Subsections (a) and (b) of section 2236 of such title are amended by striking out "or Territory, Puerto Rico, or the District of Columbia, whichever is concerned,".

(4) Section 2238 of such title is amended by striking out "or Territory" and all that follows and inserting in lieu thereof "or, in the case of the District of Columbia, the commanding general of the National Guard of the District of Columbia.".

(d) Section 2233a of such title is amended—

(1) by striking out "(1)", "(a)", "(b)", and "(2)" and inserting in lieu thereof "(a)", "(1)", "(2)", and "(b)", respectively;

(2) by striking out "or his designee notifies the Senate and the House of Representatives" and inserting in lieu thereof "notifies the Congress"; and

(3) by striking out "where the Senate and the House of Representatives have" and inserting in lieu thereof "when the Congress has".

REQUIREMENT FOR CERTAIN NEW ANNUAL AUTHORIZATIONS OF APPROPRIATIONS RELATING TO MILITARY CONSTRUCTION

SEC. 4. Section 138(f)(1) of title 10, United States Code, is amended by striking out "but excludes" and all that follows and inserting in lieu thereof the following: ", any activity to which section 2808 of this title applies, any activity to which chapter 133 of this title applies, and advances to the Secretary of Transportation for the construction of defense access roads under section 210 of title 23. Such term does not include any activity to which section 2806 of this title applies or to which section 2821 of this title applies.".

REPEALER

SEC. 5. The following provisions of law are repealed:

(1) Sections 2212, 2661, 2673, 2674, 2675(d), 2678, 2681, 2682, 2684, 2686, 2688, 4774, and 9774 of title 10, United States Code.

(2) Section 504 of the Act entitled "An Act to authorize certain construction at military and naval installations, and for other purposes", approved September 28, 1951 (31 U.S.C. 723).

(3) Sections 103 and 406(a) of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved August 30, 1957 (42 U.S.C. 1594h and 1594i).

(4) Section 420 of the Military Construction Act of 1959 (Public Law 86-149; 73 Stat. 324).

(5) Sections 501, 503, and 507 of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved July 27, 1962 (42 U.S.C. 1594a-1, 1594h-1, and 1594a-2).

(6) Section 507 of the Military Construction Authorization Act, 1964 (42 U.S.C. 1594k).

(7) Sections 610 and 611 of the Military Construction Authorization Act, 1966 (Public Law 89-188; 79 Stat. 818).

(8) Sections 610 and 612 of the Military Construction Authorization Act, 1967 (Public Law 89-568; 50 U.S.C. App. 2287; 31 U.S.C. 723a).

(9) Section 610(a) of the Military Construction Authorization Act, 1968 (42 U.S.C. 1594h-2).

(10) Section 807 of the Military Construction Authorization Act, 1969 (Public Law 90-408; 82 Stat. 392).

(11) Section 512 of the Military Construction Authorization Act, 1970 (Public Law 91-142; 83 Stat. 313).

(12) Section 508 of the Military Construction Authorization Act, 1971 (Public Law 91-511; 84 Stat. 1220).

(13) Section 508 of the Military Construction Authorization Act, 1973 (42 U.S.C 1594j-1).

(14) Sections 509 and 612 of the Military Construction Authorization Act, 1975 (Public Law 93-552; 88 Stat. 1759, 1765).

(15) Section 613 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 380).

(16) Section 803 of the Military Construction Authorization Act, 1979 (Public Law 95-356; 30 U.S.C. 1002a).

(17) Sections 505 and 808 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1765, 1778).

(18) Section 903 of the Military Construction Authorization Act, 1982.

CONFORMING AMENDMENTS TO PROVISION OF TITLE 10 GOVERNING LEASES IN FOREIGN COUNTRIES

SEC. 6. (a) Subsection (a) of section 2675 of title 10, United States Code, is amended to read as follows:

"(a) The Secretary of a military department may acquire by lease in foreign countries structures and real property relating to structures that are needed for military purposes other than for military family housing. A lease under this section may be for a period of up to five years, and the rental for each yearly period may be paid from funds appropriated to that military department for operation and maintenance for that year.".

(b) Subsection (b) of such section is amended—

(1) by striking out "or any other provision of law"; and

(2) by striking out ", family housing facilities,".

(c) Subsection (c) of such section is repealed.

SAVINGS PROVISIONS

SEC. 7. (a) The Secretary of Defense shall pay to the Commodity Credit Corporation an amount not to exceed $6,000,000 per year until the amount due for foreign currencies used for housing constructed or acquired under title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721–1726) has been liquidated.

(b) The Secretary of Defense may continue in effect any agreement guaranteeing rental returns to builders or other sponsors of family housing in foreign countries that was made under section 507 of the Military Construction Authorization Act, 1964 (42 U.S.C. 1594k), before the effective date of this Act and may exercise any option of the United States in any such agreement that has not been exercised before such date.

(c) Appropriations available on the effective date of the amendments made by this Act for the purposes of sections 2673 and 2674 of title 10, United States Code, shall after such date be available for the purposes of sections 2806 and 2804, respectively, of such title.

CODIFICATION OF OTHER PERMANENT PROVISIONS OF LAW

SEC. 8. (a)(1) Chapter 143 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2422. Contracts for energy or fuel for military installations

"(a) The Secretary of a military department—

"(1) may, subject to subsection (d), contract (A) for the provision and operation of energy production facilities on real property under the Secretary's jurisdiction or on private property, and (B) for the purchase of energy produced from such facilities; and

"(2) may contract for the purchase of fuel derived from waste materials (commonly known as refuse-derived fuel) or fuel derived from other sources.

"(b) A contract under subsection (a)(2) for the purchase of fuel derived from waste materials may provide for the collection and disposal of solid waste from a military installation and for the delivery to that installation of fuel derived from waste materials that exceeds by weight the installation's generation of solid waste.

"(c) A contract may be made under subsection (a) only after—

"(1) the approval of the proposed contract by the Secretary of Defense; and

"(2) the Committees on Armed Services of the Senate and House of Representatives have been notified of the terms of the proposed contract, including the dollar value of the contract and the amount of energy or fuel to be delivered to the Government under the contract.

"(d) A contract may not be made under this section for the development or purchase of energy resources derived from nuclear or fossil sources.

"(e) Contracts under this section may be made for periods not to exceed 30 years and may be paid from appropriations that would otherwise be available for obligation only within the fiscal year for which appropriated.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2422. Contracts for energy or fuel for military installations.".

(b)(1) Chapter 153 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2577. Disposal of recyclable materials

"(a) The Secretary of a military department may sell recyclable materials in accordance with the procedures prescribed in section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) for the sale of surplus property. The proceeds from any such sale shall be credited first, to the cost of collection, handling, and sale of the material (including the cost of any equipment purchased for recycling purposes), and second, to projects for environmental improvement or energy conservation at military installations establishing recycling programs in accordance with regulations approved by the Secretary of Defense.

"(b) The amount spent for environmental improvement and energy conservation projects under this section may not exceed $100,000 at any military installation in any year.

"(c) Any balance of a military department under this section at the end of a fiscal year shall be returned to the Treasury as miscellaneous receipts.

"(d) The Secretary of each military department shall submit a report to Congress each year on the operation of the program provided by this section.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2577. Disposal of recyclable materials.".

(c)(1) Chapter 159 of title 10, United States Code, is amended by adding at the end thereof the following new sections:

"§ 2689. Development of geothermal energy on military lands

"The Secretary of a military department may develop for the use or benefit of the Department of Defense any geothermal energy resource within lands under the Secretary's jurisdiction, including public lands, if that development is in the public interest, as determined by the Secretary concerned, and will not deter commercial development and use of other portions of such resource if offered for leasing.

"§ 2690. Limitation on new boiler plant construction

"(a) Except as provided in subsection (b), a new facility that requires a heat input rate of fifty million British thermal units per hour or more and that uses oil or gas (or a derivative of oil or gas) as fuel may not be constructed on lands under the jurisdiction of a military department.

"(b) The Secretary of the military department concerned may waive the provisions of subsection (a) in rare and unusual cases, but such a waiver may not become effective until after the Secretary has notified the appropriate committees of Congress in writing of the waiver.

"(c) The Secretary of the military department concerned may not provide heating service for a new facility in increments in order to avoid the prohibition contained in subsection (a).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new items:

"2689. Development of sources of energy on or for military installations.
"2690. Limitation on new boiler plant construction.".

TECHNICAL AND CLERICAL AMENDMENTS

SEC. 9. (a)(1) The table of sections at the beginning of chapter 131 of title 10, United States Code, is amended by striking out the item relating to section 2212.

(2) Section 2388(c) of title 10, United States Code, is amended by striking out "section 4774(d) or 9774(d) of this title, section 529 of title 31, or section 259 or 267 of title 40," and inserting in lieu thereof "section 3648 of the Revised Statutes (31 U.S.C. 529)".

(3) The table of sections at the beginning of chapter 159 of such title is amended by striking out the items relating to sections 2661, 2673, 2674, 2678, 2681, 2682, 2684, 2686, and 2688.

(4) Section 2775(d) of such title is amended by striking out "section 501 of Public Law 87–554 (76 Stat. 236; 42 U.S.C. 1594a–1)" and inserting in lieu thereof "section 2832 of this title".

(5) The table of sections at the beginning of chapter 449 of such title is amended by striking out the item relating to section 4774.

(6) The table of sections at the beginning of chapter 949 of such title is amended by striking out the item relating to section 9774.

(b)(1) Section 305(a) of the Defense Housing and Community Facilities and Services Act of 1951 (42 U.S.C. 1592d(a)) is amended by striking out "sections 1136 and" and inserting in lieu thereof "section".

(2) Section 402(7) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5042(7)) is amended by striking out

"(without regard to the provisions of section 4774(d) of title 10, United States Code),".

(3) Section 3 of the Act entitled "An Act to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes", approved December 20, 1944 (48 U.S.C. 1409b), is amended—

(A) by striking out "secs. 1136, as amended, and" and inserting in lieu thereof "section"; and

(B) by striking out "sections 355, as amended, and 1136, as amended," and inserting in lieu thereof "section 355".

(4) The Act entitled "An Act to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes", approved March 30, 1949 (50 U.S.C. 491), is amended by striking out "sections 1136, 3648, 3734, Revised Statutes" and inserting in lieu thereof "section 3648 of the Revised Statutes (31 U.S.C. 529)".

(5) Section 40 of the Act of August 10, 1956 (31 U.S.C. 649c) is amended by striking out "and the construction of public works".

EFFECTIVE DATE

SEC. 10. (a) The amendments made by this Act shall apply only to military construction projects, and to construction and acquisition of military family housing, first authorized for a fiscal year after fiscal year 1983.

(b) Military construction projects and construction and acquisition of military family housing authorized for a fiscal year before fiscal year 1984 shall be carried out in accordance with the law in effect before the date of the enactment of this Act.

OPENING STATEMENT BY SENATOR STROM THURMOND

Senator THURMOND. The subcommittees will come to order.

This morning we begin our hearings on the fiscal year 1983 military construction request. We are continuing the practice that we started last year of holding joint hearings with our colleagues from the Military Construction Subcommittee of the Appropriations Committee. This joint hearings procedure worked quite well last year and it certainly saves time and money.

For instance, I am advised that just the cost of conducting and printing these construction hearings will be about $100,000 and we will save that much by not duplicating these hearings.

I always enjoy working with my good friend and colleague, the Senator from Nevada, Paul Laxalt, who chairs the Military Construction Subcommittee for the Appropriations Committee.

We have before us a bill that totals about $8 billion for new military construction and the support of military family housing. The bill is larger than last year's authorization and appropriations acts by about $1 billion in constant dollars and that reflects real growth of about 12 percent.

There are many defense issues that impact on this bill—the plans for the MX missile, construction in Europe, support for the Rapid Deployment Force, the stationing of the new Trident submarines and support for the Space Shuttle—to name just a few.

Hearings have been scheduled for the remainder of this week to receive testimony from each of the services and several outside witnesses who have asked to testify. It is our intention to keep the hearings open to the public to the extent that we can; however, if necessary, we will go into closed session to discuss classified matters.

We will now be glad to hear from the able Senator, chairman of the Subcommittee on Military Construction of the Committee on Appropriations, Senator Laxalt.

OPENING STATEMENT BY SENATOR PAUL LAXALT

Senator LAXALT. Thank you, Mr. Chairman.

I welcome the opportunity to be here today to begin the Senate hearings on the fiscal year 1982 military construction budget request.

I would like to thank the distinguished chairman of the authorization subcommittee, Mr. Thurmond, for suggesting that we hold joint hearings this year. I believe these hearings will be beneficial to all concerned.

The appropriations request for military construction in fiscal year 1983 is $8.3 billion. This represents an increase of $1.3 billion over last year's enacted amount. In addition, we are being asked to consider a supplemental request of $199 million.

The military construction budget has increased from $3.2 billion in fiscal year 1978 to the proposed $8.3 billion now before us. Obviously, we must carefully review the program to insure that all projects are valid and timely requirements.

In the past our subcommittee has worked with the Defense Department to support the programs presented to us. I believe we will continue that support and look forward to an interesting budget review process.

I want to welcome our primary witness, Mr. Douglas Farbrother, Acting Deputy Assistant Secretary of Defense for Facilities, Environment and Economic Adjustment. I can see that you have brought a large group to back you up, and on behalf of the Appropriations Committee they, too, are welcome.

Since we have a busy schedule before us this morning, I shall limit my remarks so that we can get to the business at hand.

Senator THURMOND. Thank you very much.

Our first witness today is Mr. Douglas Farbrother, Acting Deputy Assistant Secretary of Defense for Facilities, Environment and Economic Adjustment.

Mr. Farbrother, do you wish to have your entire statement placed in the record, and will you just highlight it?

STATEMENT OF DOUGLAS FARBROTHER, ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE (FACILITIES, ENVIRONMENT AND ECONOMIC ADJUSTMENT); ACCOMPANIED BY MAJ. GEN. C. D. WRIGHT, DEPUTY DIRECTOR FOR ENGINEERING AND SERVICES HEADQUARTERS, U.S. AIR FORCE; REAR ADM. W. M. ZOBEL, CEC, USN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND, DEPARTMENT OF THE NAVY; COL. ZACH HAGEDORN, DEPUTY ASSISTANT DIRECTOR INSTALLATION AND LOGISTICS, NATIONAL SECURITY AGENCY; AND BRIG. GEN. NORMAN G. DELBRIDGE, JR., ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

Mr. FARBROTHER. Yes, Mr. Chairman.

Senator THURMOND. Without objection, your prepared statement will be entered following your testimony.

Mr. FARBROTHER. Senator Thurmond, Senator Laxalt, I want to add the appreciation of the Defense Department for this joint hearing. I know it takes special effort on your part and on the part of your staff to coordinate this effort, but it makes our work far easier and allows us to spend our staff resources on other management matters.

I am pleased to be here this morning to present to the committees the Defense Department fiscal year 1981 military construction program. Our request for fiscal 1983 is $8.3 billion in appropriations and $7.8 billion in authorization.

The program we have constructed will provide facilities to enhance our military capabilities and to improve working and living conditions for our military people and their families.

We are also requesting supplemental appropriations of $199 million and new authorization of $52 million for fiscal year 1982. This supplemental request is required to support the current and future missions of the Rapid Deployment Joint Task Force, the U.S. Readiness Command and the U.S. Joint Deployment Agency, and to alleviate unacceptable living conditions for military families in Europe and in Korea.

At the Defense Department we are placing increased emphasis on improving the management of defense facilities, and I will speak briefly to some of those initiatives shortly.

Right now I would like to touch on some of the good management that we have had in the past year. The services have done a really excellent job of managing the military appropriations construction funds for 1981. We established a goal of executing 90 percent of the fiscal year program in the fiscal year for which it was approved.

Performance for 1981 was 91 percent, which is the highest rate in the last 6 years.

Another indication that the service management of military construction was very good in 1981 is the control of cost growth. During fiscal year 1981 we awarded 578 military construction projects and only 32 of those projects required cost variance approval by the Congress. This compares with 51, for example, in fiscal year 1980.

The competition for military construction projects has improved and resulted in lowering the contract cost. We had an average of nine bidders for each project during fiscal year 1981, whereas in the previous two fiscal years the average was around six.

As I mentioned, we are doing a number of things to further improve the management of defense facilities. For one, we believe that the decision should be made at the lowest possible level where sufficient information is available. This will cut down on costly administrative delays and encourage responsible management at lower echelons.

We are doing a number of administrative things, such as decentralizing administration of family housing, allowing the services greater flexibility in developing standards and eliminating a number of unnecessary redundant reports.

We also have requested legislative amendments this year to further that devolution process. Some of the amendments we are requesting involve approval of minor construction projects, elimination of unnecessary cost variation reports on minor construction projects, and approval of projects to restore damaged facilities.

We are also making efforts to conserve energy, as we have in the past 8 years. This year we are requesting authorization and appropriation of $182 million worth of projects for energy conservation. On the average, these projects, once they are completed, will pay for themselves in less than 5 years.

We have developed a policy that will make us better construction customers and thus reduce our cost.

In the past, it was the standard Defense practice to withhold or retain about 10 percent of the project's progress payments to contractors until the time that the project was actually contractually completed. In theory, this retainage encouraged contractors to complete all the work in a timely manner; however, due to the current high interest rates on commerical construction loans, contractors had to pass on to the Defense Department the cost of the money that we were retaining.

This situation was especially true among subcontractors who performed most of the work. Our new policy is that retainage will no longer be used as a matter of routine practice but instead will be used only in specific cases where contractors' performance warrants that.

The current law also requires that the Defense Department make use of American-made construction materials on certain overseas projects. We are proposing a minor amendment to that buy-American provision that would authorize waivers when necessary for cost effective and timely completion of contingency facilities that serve strategic areas of the world.

One of the highlights of our military construction program this year is an effort to improve the working and living conditions of our troops. Many military people have to work and live in cold, crowded and decrepit facilities. We started in fiscal year 1983 with a construction shortage and maintenance backlog of about $47 billion. That shortage is most severe in overseas locations where military people and their families have to rely on the facilities that the Government provides for them, which is a different situation from here in the United States where in many cases they can go off base for many of their needs, their housing needs, their recreational facilities and so forth.

When they are in overseas areas they are entirely dependent to a much greater degree on U.S.-provided facilities. We plan to spend more money to reduce the construction and maintenance backlog and our primary attention is going to be on working and living conditions in Europe, since three-quarters of the Active Forces stationed ashore and in foreign countries are on that continent.

The current budget proposes $1.2 billion for construction in Europe. This includes family housing, dependents schools and the U.S. annual contribution to the NATO infrastructure program.

The Army's share of that budget devotes $308 million to improving working and living conditions in Europe and for construction facilities associated with new weapon systems' deployment, such as the multiple-launch rocket system, division air defense and Patriot missile.

The Navy's request focuses on facility requirements in Iceland, Sicily, and the United Kingdom.

The Air Force's request includes some $73 million for family housing and $85 million for base support work at the ground-launched cruise missile sites.

Included in the defense agencies' request is $85 million for the Defense Logistics Agency, primarily for overseas fuel storage, and $84 million for the National Security Agency which includes expansion of the NSA facilities at Fort Meade, Md.

I have representatives of those agencies here with me today to answer any question you may have.

In addition to the unilaterally funded construction in Europe, $375 million is required for the U.S. share of the NATO infrastructure program. The Department is continuing to press for an increase in NATO infrastructure funds and other support from our NATO allies.

In addition to the $280 million that was approved for construction of operational facilities for the ground-launched cruise missiles, the United States is now actively negotiating agreements with several NATO allies to increase wartime host nation support, including provisions for over 90,000 German support people for wartime use by the United States.

We have also made some significant progress recently with the master restationing plan which is, as I am sure you are familiar, an effort to get the Federal Republic of Germany to build three new kasernes in Germany for U.S. battalions.

We had initial meetings with the Germans last month and right now, today, my Director for NATO and foreign programs is in Bonn and will begin follow-on sessions of negotiations on Wednesday. It is evident that Germany attaches high importance to the plan now and stands ready to work closely with the United States. A charter has been signed by delegations from both the United States and Germany and we have established a joint committee of experts that will be working out all the problems.

For Southwest Asia, we are proposing a program of construction for fiscal 1983 to support the Rapid Deployment Force and to improve the readiness of our forces in that area. The $474 million requested in this budget will provide additional contingency construction in Egypt, Oman, Kenya, Somalia and both contingency and routine support facilities in Diego Garcia and Lajes, Portugal in the Azores.

Recognizing almost the complete lack of facilities in those areas that we faced in 1981, the efforts to date and the completion of the projects in these requests will provide a significant increase in support capability for the Rapid Deployment Force and will provide the basic building blocks for support of the military operations in the whole Southwest Asia area.

In conclusion, I would like to express my appreciation for this opportunity to appear before you today to present the fiscal 1983 military construction request.

I emphasize that these efforts will strengthen our military facilities in support of the Nation's security goals and requirements and will improve our troops' living and working conditions.

I strongly urge your support for our $8.3 billion appropriation and $7.8 billion authorization requirement, as well as the general provisions that are contained in our request.

I am well aware of the support of your committees from past years and I look forward to working together with you for the continued benefit of military construction and its contribution to our Nation's defense.

I have with me today members of my own staff and representatives here at the table from the military departments, and we will be glad to answer any questions you may have at this time.

[The prepared statement of Mr. Farbrother follows:]

PREPARED STATEMENT OF DOUGLAS FARBROTHER, ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE (FACILITIES, ENVIRONMENT, AND ECONOMIC ADJUSTMENT)

I. INTRODUCTION

Mr. Chairman and Members of the Committees:

I am pleased to have this opportunity to appear before your Committee to discuss the Department of Defense Fiscal Year 1983 Military Construction Program and matters relating to the management of Defense facilities, improvements to military working and living conditions, and international construction.

A. Summary of request for fiscal year 1983

The request for Fiscal Year 1983 is for $8.3 billion in appropriations and $7.8 billion in authorization. This represents a balanced program based on a system review of present and future deployments, condition of existing facilities, requirements for modernization and replacements, and overall Defense goals and priorities. Our program will provide the facilities to enhance our military capabilities and improve working and living conditions for our military people. The following summary compares our Fiscal Year 1983 request with the enacted amounts for Fiscal Year 1977 through Fiscal Year 1982.

MILITARY CONSTRUCTION

[In millions of dollars]

	1977	1978	1979	1980	1981	1982	1983
Appropriations	3, 451	3, 203	4, 043	3, 686	5, 498	7, 190	8, 336
Constant fiscal year 1983 dollars	5, 525	4, 668	5, 342	4, 446	6, 173	7, 570	8, 336
Authorization	3, 324	3, 725	4, 130	3, 839	5, 597	6, 547	7, 811
Constant fiscal year 1983 dollars	5, 322	5, 428	5, 456	4, 631	6, 284	6, 893	7, 811

B. Summary of supplemental request for fiscal year 1982

Also, we are requesting supplemental appropriations of $190 million and new authorization of $52 million for Fiscal Year 1982. The request is not included in the preceeding chart. The supplemental is required: to support current and future missions of the Rapid Deployment Joint Task Force, the United States Readiness Command, and Joint Deployment Agency; to alleviate unacceptable living conditions for military families in Europe; and, to provide additional family housing in Korea.

C. Initiatives

We are placing increased emphasis on improving the management of Defense facilities. The responsibility for certain recurring actions, approval authorities, and reports is being devolved to the military department and agencies. In this way, the majority of the decisions affecting facilities management will be made at the lowest practicable level. We are increasing our efforts to consolidate base operations, improve competition for Defense work, and economize the cost of operating and maintaining Defense facilities. Additionally, the Fiscal Year 1983 military construction program places special emphasis on improving working and living conditions, particularly for our troops stationed in Europe.

I would like now to address our most important facility requirements and initiatives in more detail.

II. EXECUTION OF PRIOR YEARS' PROGRAMS

A. Execution performance

The Department of Defense emphasizes the execution of the Military Construction Program in the year for which funds are appropriated. In our judgment, management of the Military Construction Program by the Services in fiscal year 1981 was good. This judgment was based on performance.

We have established a performance goal to execute 90 percent of a fiscal year program in that fiscal year. Performance for fiscal year 1981 was 91 percent, the highest rate in the last six years. Our success in fiscal year 1981 was partially attributed to the early enactment of the fiscal year 1981 Military Construction Program. It was also the result of the Services meeting goals which encourage project design in the early months of the fiscal year. For example, approximately 50 percent of our fiscal year 1982 program has been advertised or is ready for advertisement.

B. Cost control

Another indication that the Services' management of the Military Construction Program has been good in fiscal year 1981 is the control of cost growth. During fiscal year 1981, we awarded 578 military construction projects. Also during fiscal year 1981, only 32 projects required cost variation approval by the Congress. This compares to 51 in fiscal year 1980. So far in fiscal year 1982, we are finding that contract awards are well within the programmed amount for all but a very few projects.

C. Competition

Competition on military construction projects has improved and has resulted in lowering the contract cost. We had an average of about 9 bidders for each project in fiscal year 1981, whereas the number of bidders was about 6 in fiscal year's 1980 and 1979.

III. IMPROVING MANAGEMENT OF DEFENSE FACILITIES

A. *Devolution*

We are doing a number of things to improve the management of our defense facilities. We believe that decisions should be made at the lowest possible level where sufficient information is available. This will cut down on costly administrative delays and encourage responsible management at lower echelons. For example, we have told the Military Departments to advise you directly of their plans to obligate planning and design funds and we have permitted them to approve Architect-Engineer contracts without the delay of coming to my office for approval. These actions mean earlier project completion and avoid unnecessary additional design costs.

We are decentralizing the administration of family housing, allowing the Services greater flexibility in developing standards, eliminating many unnecessary and redundant reports, and, generally placing responsibility where it belongs, with the administrator most directly involved in program development and execution.

Legislative amendments have been included in this year's Military Construction Authorization Bill to devolve certain authorities to the Secretary of the Military Department or Director of the Defense Agency concerned. The devolution proposal includes approval of minor construction projects, elimination of unnecessary cost variation reporting on minor construction projects, and approval of projets to restore damaged facilities.

B. *Inter-service support and contracting out incentives*

We have initiated several actions to increase economy, efficiency, and effectiveness in the management of base operations. We are seeking to:

Increase inter-Service and inter-base consolidation of family housing and other real property maintenance and base support activities. Consolidations with proper inter-Service support agreements and performance standards can reduce overhead costs and lead to more effective and efficient management of resources.

Cut costs by making internal organizations compete with potential contractors for the right to operate many activities. Past experience shows that efficiencies are realized just by going through the competitive process, regardless of whether or not a private contractor wins.

Create incentives for improved efficiency starting at the base level.

C. *Energy conservation*

This is the eighth year of our program to reduce energy consumption. The program has been designed to accomplish cost effective retrofit work in older facilities to lower energy-use levels and to achieve significant savings in utility costs.

We have issued more detailed guidance to the Military Departments to strengthen the program. We have instituted an annual report of completed projects and energy savings, and are using the information from this report to make sure we are investing wisely in energy conservation projects. Also, we have proposed a legislative amendment to codify the authority for a Service or Defense Agency to develop geothermal energy resources or to contract for the provision of energy for up to 30 years.

We believe, that with continued high Service emphasis and support of this program, we can achieve a 12 percent energy reduction from energy conservation projects by 1985. Further energy reductions will be attained by O&M-funded conservation measures including additional operator training, instrumentation calibration, and cleaning and tuning of utility systems. Low cost and "no-cost" improved administrative practices, voluntary personnel action and normal replacement of old equipment (e.g. boilers) will also be emphasized.

This year, authorization and appropriations of $182 million (including $68 million for family housing) are requested for energy conservation projects. The average amortization period of these projects is estimated at less than 5 years. The annual energy cost avoidance from this program to date is estimated to be over $180 million.

D. *Progress payments on contracts*

We have developed a policy that will make us a better construction customer, and thus reduce our construction costs. In the past it was a standard practice of our construction agents to retain about 10 percent of project progress payments to contractors until such time that the project was contractually complete.

In theory this retainage encouraged a contractor to complete all work in a timely manner. However, due to high interest rates on commercial construction loans, contractors had to pass on the cost of this retainage to the Department through higher bids. This situation was especially true among subcontractors who perform most of the work. Our new policy dictates that retainage will no longer be a matter of routine practice, but instead be used only in specific cases as warranted by a contractor's unsatisfactory performance or for other valid reasons.

E. Buy American provision and American preference contracting

Current law requires that the Department use American made construction materials on certain overseas projects, so long as that would not conflict with existing government-to-government agreements. We propose an amendment to that Buy American provision that would authorize waivers when necessary for the cost effective and timely completion of contingency facilities in strategic areas of the world.

The Department will continue its policy of giving preference to U.S. construction firms on major projects in the Indian Ocean/Persian Gulf region.

IV. WORKING AND LIVING CONDITIONS

A. Requirement

Working and living conditions in the military service affect readiness, morale, enlistments, and retention. Many military people live and work in old, crowded and decrepit facilities. We will start Fiscal Year 1983 with a construction shortage and maintenance backlog of about $47 billion. On a dollar for dollar basis, a working and living condition shortfall overseas affects service-people more than a shortfall in the United States because of the cultural shock of foreign duty. People assigned overseas generally cannot rely on the nearby community for housing, food or clothing purchases, religious facilities, and so on, and depend on the U.S. military installation to satisfy their needs.

B. Funding

Over the past ten years, spending on facilities has lagged behind the requirement to modernize or replace existing facilities and the need for new facilities to support new and changing missions. We plan to spend more money to reduce the construction and maintenance backlogs, with primary attention to working and living conditions in Europe, since three quarters of the active forces stationed ashore in foreign countries are on that continent. In fiscal year 1983, we are requesting $1.2 billion for construction in Europe.

C. Correction of safety and health deficiencies

Additionally, we are requesting funds to correct serious safety and occupational health and fire protection deficiencies in DoD work places. All new construction and major modernization projects are required to comply with safety and health standards. We are continuing work to eliminate hazardous conditions, as required by law, Federal regulations, and sound management practice to help control the costs of personnel disabilities and property damage.

V. INTERNATIONAL CONSTRUCTION

International construction encompasses construction in Europe, including the NATO Infrastructure Program, the Pacific, and Southwest Asia. European construction focuses primarily on facilities in support of new weapons systems and across the board improvements to working and living conditions. Southwest Asia construction reflects the increasing emphasis on providing facilities in support of the Rapid Deployment Joint Task Force.

A. European construction

1. *Summary*

The current budget proposes $1.2 billion for construction in Europe, which includes family housing (less operation and maintenance), dependent schools and the U.S. annual contribution to the NATO Infrastructure Program. The Army budget devotes $308 million to improving working and living conditions in Europe and to constructing facilities associated with new weapons systems deployments such as the Multiple Launched Rocket System (MLRS), Division Air Defense (DIVAD), and the PATRIOT missile. The Navy request focuses on facility requirements in Iceland, Sicily, and the United Kingdom. The Air Force request includes some $73 million for family housing and $85 million for base support work at Ground Launched Cruise Missile sites. Also requested is $28 million for the prefinancing of minimum essential airfield facilities at a number of collocated operating bases throughout the NATO theater.

2. *NATO infrastructure*

In addition to the unilaterally-funded construction in Europe, $375 million is requested for the U.S. share of the NATO Infrastructure Program. The U.S. contribution to this commonly-funded program remains at 27 percent. However, the percentage of U.S.-user projects being programmed continues to be higher. For the past year, the Department has continued to press for an increase in NATO Infrastructure funds and other support from our NATO allies. An additional $280 million was approved for the construction of operational facilities for the Ground Launched Cruise Missile. In addition, the U.S. is actively negotiating agreements with several NATO Allies to increase wartime host nation support, including the provision of over 90,000 support people by the Federal Republic of Germany.

3. *Master restationing plan*

Initial meetings began last year with the Germans to gain their support for the movement of three Army brigades closer to their forward defense positions. On March 17, 1982, an official delegation representing the Federal Republic of Germany met with a U.S. delegation to begin formal discussions on how to accomplish the Master Restationing Plan. It is evident that Germany attaches high importance to the Plan, and stands ready to work closely with the U.S. A charter was signed by both delegations establishing a "Joint Committee of Experts" to work toward resolving the requirement to restation the Army units. The Committee is scheduled to meet this month to engage in more detailed discussions on how, together, we can develop a mutually acceptable plan on meeting the U.S. objective. In this year's program there is $27 million to complete the program started at Vilseck last year which will enable the Army to restation two battalions. We do not intend to program any other MRP projects until we and the Germans have an agreement on how the Master Restationing Plan will be implemented.

B. *Southwest Asia construction*

The FY fiscal year 1983 proposed program for construction in Southwest Asia is required to support the rapid deployment force and to improve readiness of our forces in the area. The $474 million requested in this budget will provide additional contingency construction in Egypt, Oman, Kenya, Somalia, and both contingency and routine support facilities in Diego Garcia and Lajes, Portugal, in the Azores. These funds are required to continue the base development previously authorized and will complete the known enroute requirements at Lajes Air Base. The fiscal year 1983 funds requested for Egypt coupled with those requested in the fiscal year 1982 Supplemental will provide the initial staging capability for the Rapid Deployment Joint Task Force. Recognizing the almost complete lack of support facilities we faced in 1981, the efforts to date and the completion of the projects in these requests will provide a significant increase in support capability for our rapid deployment forces and will provide the basic building blocks for support of military operations in the Southwest Asia area.

VI. ENVIRONMENTAL

We are continuing to identify and correct all air and water pollution problems necessary to comply with federal, state, and local requirements. Our FY 1983 request is $33 million for water pollution abatement, and $16 million for air pollution abatement. We have incorporated language in the authorization bill to eliminate an annual report on the operation of resource recovery and recycling programs since it is of little or no management use. We have also requested an increase in the limitation on local expenditure from $50,000 to $200,000 to offset higher operating costs and to encourage new recycling programs where they do not currently exist.

Our environmental program remains structured to provide necessary corrections in a timely and fully responsible manner. Your continued support in this area will enable DoD to meet its obligations and to maintain its leadership role in environmental protection.

VII. CONCLUSION

In conclusion, I would like to express my appreciation for tihs opportunity to appear before you today to present the Department of Defense Fiscal Year 1983 military construction request. I emphasize that these efforts will strengthen our military facilities in support of the nation's security goals and requirements. This request is consistent with the President's objective for national security, management efficiency, and economy. I strongly urge your support for our $8.3 billion appropriation and $7.8 billion authorization requirement, and for the general provision contained in our request to amend existing legislation which will enable improvements to the management of our programs.

I am well aware of the support your Committees have provided for the Military Construction programs over the years. I look forward to our working together for the continued benefit of military construction, and its contribution to the nation's defenses.

With me today are members of my staff, as well as representatives of the Services and Defense Agencies. We will be pleased to answer your questions and provide any information you might require regarding our proposed program.

Senator THURMOND. We will follow the 10-minute rule on questioning.

First, I presume that you will submit your statement on S. 1990 for the record, too?

Mr. FARBROTHER. Yes, Senator Thurmond.

Senator THURMOND. Without objection, that will be done.

[The prepared statement of Mr. Farbrother on S. 1990, the military construction codification bill, follows:]

PREPARED STATEMENT OF DOUGLAS FARBROTHER, ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE (FACILITIES, ENVIRONMENT, AND ECONOMIC ADJUSTMENT)

Mr. Chairman, Members of the Committee, it is a pleasure to appear today to comment on the proposed legislation to codify the basic authorizations and general provisions affecting the military construction and family housing programs.

Your professional staff deserves a great deal of credit for taking on such a time consuming and formidable job in an effort to simplify and restructure the preparation of future military construction legislation. The Department of Defense is now in the process of completing an intensive review of the proposed legislation, and we will be providing the Committee with our comments and recommendations shortly. As you are aware, we have worked closely with your professional staff in a collaborative action to develop draft legislation similar to H.R. 5241 as now introduced.

This work is aimed toward a proposed new Chapter 169 of Title 10, United States Code that would incorporate in a single law all of the basic and essential authorities and general provisions relating to military construction and family housing. With enactment of this legislation the preparation of annual military construction acts would be shortened and simplified. In general, we view it as a distinct improvement over previous procedures and meriting our support.

My remarks today will be pointed toward a short discussion of the primary thrust of the proposed legislation in key areas which we believe are essential to the efficient and cost effective execution of the construction program authorized by the Congress. The first of these are in Subchapter I as Section 2802, "Emergency Construction" and Section 2803, "Contingency Construction."

In these sections the most substantive change is restructuring for greater definition and clarity the emergency authorizations which previously had been repeated annually in each military department's title of the military construction authorization acts. We now have in one piece of permanent legislation standing authority for both emergency and contingency costruction. Additionally, the cumbersome five criteria which previously governed use of the emergency authority have been deleted and replaced by a single determination of the Secretary of Defense that deferral of the construction would be inconsistent with the interests of national security. Similarly the dollar limitation on use of the emergency authority (usually $20 million per military service) has been eliminated as unrealistic and unnecessarily restrictive. Such a limit prevents use of the authority for truly critical and unforeseen needs of any real magnitude.

The new language is quite similar to the authority provided for emergency restoration of facilities damaged or destroyed, in that its use is limited in essence by the amounts which might be available by reprogramming, once a valid and urgent requirement has been certified. Execution of the authority is limited by the necessity to notify the appropriate Committees of Congress and await either their individual approvals or the expiration of a 15-day waiting period.

Section 2804 "Minor Construction" was substantially restructured in last year's legislation and the product reflected in the proposed legislation should lighten the load of program review and oversight by the Committee. We are in substantial agreement with the proposal.

Section 2805 "Contributions for North Atlantic Treaty Organization Infrastructure" is a new section permanently codifying the authority of the Secretary of Defense to make annual contributions to that essential program as authorized by the Congress. A major involvement in last year's legislation was inclusion of flexibility permitting increases in our contribution up to 25 percent with the approval of the appropriate Committees concerned. Given the changing character of European defense strategies and the pervasive nature of inflation in many of the NATO countries, such authority is vital to our participation in common defense construction in those areas.

Section 2807 "Authorized cost variations for militray construction projects" has been substantially simplified over the previous legislation. The proposed section eliminates previous limitations on increases to an installation total which have become increasingly obstructive and unworkable with the inflationary trends in construction costs in recent years. Now the proposed section simply addresses the primary matter of interest to the Committee; that is, cost increases of individual projects which exceed an accepted norm. However, the revision differs from the proposal contained in this year's Military Construction Authorization Bill. We believe the latter revision is workable, and request your favorable consideration of that approach.

The remaining section of Subchapter I are essentially codification of existing law having to do with advance planning, restoration of damaged or destroyed facilities, and war time or national emergency construction authority provided to the Secretary of Defense. However, I would like to comment on the threshold amount for architect-engineer contracts requiring notification of the Committees before award, contained in Section 2808. This amount is now $250,000. In recognition of the increasing cost of construction and the corollary increase in design fees, we recommend this threshold be increased to $500,000.

The following Subchapter II of the codification titled "Military Family Housing" encompasses all the basic authorities and limiting provisions pertaining to that program. Generally, we concur with the draft structure of this subchapter although there are instances where we would like to increase dollar limitations on lease costs and improvements to existing family housing units.

Section 2855 limits the size and cost per square foot of unaccompanied personnel housing. As presently drafted the section would impose specific square foot cost limits. Unless one is willing to assume that current costs will remain static, and recent history certainly belies this, it will be necessary to amend this section on an annual basis to reflect cost increases. We believe it would be more efficient to provide language specifying that the Secretary of Defense would determine a reasonable and appropriate cost for such facilities in preparing the annual construction request, and be prepared to provide the justification for such a determination during Congressional hearings.

Finally, I beileve some comment is merited with respect to Section 2859 which deals with submission of an annual report to Congress on military construction. The requirements of that section would bring together a comprehensive report on military construction and family housing which should materially assist the Congress in maintaining oversight. It would include in a single package to be submitted to Congress on January 15 each year a wide spectrum of progress, information, and summary performance reports covering work authorized in the current and prior fiscal years and would include data on minor and major military construction as well as family housing. Wisely used it should be a valuable aid both to the Congress and the Department in conducting management analyses of various program elements, and determining the efficiency of existing program techniques.

Gentlemen, that concludes my comments on the proposed codification of military construction and family housing now before you. This effort can measureably reduce our workload and that of the Committee, as well as improve your oversight of the program authorized. I appreicate the opportunity to express my views, and my staff and I are available to discuss any questions you may have on this proposed legislation.

Thank you.

Senator THURMOND. These hearings concern two bills, S. 2205, a bill to authorize certain construction at military installations for fiscal year 1983 and for other purposes; and S. 1990, a bill to amend title 10 of the United States Code to revise and codify the permanent provisions of law relating to military construction and military family housing. Questions may be propounded on either one of those bills.

FISCAL YEAR 1982 SUPPLEMENTAL REQUEST

I note that you have a request for supplemental construction authorization for fiscal year 1982 in the amount of $52 million. What is the urgency that requires authorization in fiscal year 1982?

Mr. FARBROTHER. Senator, we have serious shortfalls in facilities support for the Rapid Deployment Joint Task Force, U.S. Readiness Command and the Joint Deployment Agency at MacDill Air Force Base. We also have unacceptable housing conditions in Europe and Korea.

There is one other item that is included in our request, which is authorization to use foreign military sales money, not appropriated dollars but FMS proceeds, to repair an unsafe facility at Wright-Patterson Air Force Base.

Senator THURMOND. As far as I know, there is no chance for the fiscal year 1982 supplemental authorization bill to get considered by the Congress this year.

In the case of the defense procurement authorization bill, which the committee reported out last week, the fiscal year 1982 supplemental request was added as a separate title. Would that same approach be acceptable to you on this military construction supplemental request?

Mr. FARBROTHER. The 1982 supplemental request does cover urgent facilities and we would prefer not to wait for the 1983 bill; however, inclusion in the 1983 bill would certainly be better than nothing.

CONSTRUCTION BACKLOG

Senator THURMOND. I have some construction backlog questions:

Your statement refers to "a construction shortage and maintenance backlog of about $47 billion." Last year we were told that you had a construction backlog of about $40 billion. Can you clarify this situation? How much is your construction backlog and how much is your backlog of facilities maintenance?

Mr. FARBROTHER. Yes, Senator. The $40 billion that we mentioned last year was construction backlog, construction alone. It did not include family housing or repair and maintenance. Within the $47 billion that I noted this year, again $40 billion of that is our construction backlog exclusive of family housing, so we have stayed even, which is significant progress. We had been getting worse. We stayed even on the construction backlog.

We also have a $2 billion backlog in family housing and the other $5 billion is repair and maintenance.

Senator THURMOND. How much of this fiscal year 1983 bill, which totals about $8 billion, will be applied against that construction backlog?

Mr. FARBROTHER. We hope to make about $3 billion progress against our backlog this year.

Senator THURMOND. How fast is that construction backlog growing? Have you invested enough resources to start to bring that backlog down?

Mr. FARBROTHER. Yes, Senator, we are investing enough now. Last year we stayed even on the construction backlog. This year we are budgeting enough to make $3 billion worth of progress on it.

Senator THURMOND. Do you think your investment in this bill is at a prudent level in view of this backlog?

Mr. FARBROTHER. Yes, we believe it is an aggressive program but one that is achievable. We have the people with the knowledge and skill to manage this kind of reduction to our backlog.

Senator THURMOND. I am interested in the level of effort that each of the services has for construction in this military construction bill. The Army has about $1 billion; the Navy has $1.2 billion, and the Air Force $2 billion. From my observations in visiting various military installations, the Air Force is much better off, in terms of facilities, than either the Army or the Navy. Yet the Air Force is investing nearly twice as much in military construction.

Who decides how much each service will spend on construction? Do you influence this decision?

Mr. FARBROTHER. Basically, the services make those decisions when they prepare their budgets and their five-year programs. They look at all the resources they have available and all their priorities and decide how best to spend their money, considering overall defense requirements.

We do play a role in OSD in reviewing their budgets and making sure that they are spending their money wisely.

S. 1990—MILITARY CONSTRUCTION CODIFICATION

Senator THURMOND. S. 1990, the military construction codification bill, introduced by Senator Hart and myself, would take all military construction law that is now scattered in many places and bring it together in one chapter under title 10 of the United States Code.

In addition, we are proposing some streamlining in policy adjustments which we hope will improve the military construction program.

I know there has been much work done on this bill at the staff level. I would like to get your general reaction to the bill.

Are there any specific areas in the bill which you would care to call to the attention of the Senate?

Mr. FARBROTHER. Senator Thurmond, my general reaction to the bill is that it is an excellent piece of legislation. I certainly appreciate the work that your staff has done with mine on it.

I have no specific problems with the way the bill is developing at all. I would hope that you would share with us our desire to devolve authority as much as possible to lower echelons as we finish our work on this bill.

I think it is going very well and it is a very worthwhile effort.

Senator THURMOND. Thank you. At this point I would like to include questions on the codification bill to be answered for the record.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

Question. In your statement, you noted the benefits to be derived from having in one piece of permanent legislation standing authority for both emergency and continngency construction. What is the difference between contingency and emergency construction?

Answer. The difference between contingency and emergency authorization involve three major areas. One is the level of approval authority; i.e., emergency authority is intended to meet an unforeseen facility need of a military department and can be approved by the Secretary concerned. Conversely, contingency authority is intended to provide unanticipated facility needs which relate to the missions and functions of more than one military service, and require the approval of the Secretary of Defense.

Second, emergency authority is unfunded and must be financed through reprogramming approval sought by the military department concerned, while contingency authority is financed annually in appropriations requests matching the authorization.

Additionally, the level of urgency of need differs in that emergency construction requires a determination that deferral of the project would be inconsistent with the interests of national security, while a contingency project must be determined by the Secretary of Defense to be vital to the security of the United States.

Question. What is the current uncommitted balance of authority and the unobligated balance of funding for Section 402, Emergency Construction?

Answer. The current uncommitted balance of authority for section 402 is $17,852,000. The uncommitted balance of funding is $8,538,000. When projects are approved, funds are transferred to the respective service for obligation. There is no provision for transferring unobligated amounts back into the Title IV account, therefore, unobligated balances are not accounted for as a separate entity but are included within the service accounts to which funds were transferred.

Question. How much Section 402 authority and funding is being requested in fiscal year 1983?

Answer. In fiscal year 1983 we are requesting $30.0 million in authority and funding.

Question. How much Section 402, Emergency Construction authority was received and how much was committed by year for the last five years?

Answer. The amount of Section 402 authority received and committed during the last five years is as follows:

[In millions of dollars]

	Received	Committed
Fiscal year:		
1982	15	19.0
1981	15	8.7
1980	15	11.0
1979	10	13.8
1978	20	11.8

Question. Provide for the record for Section 402 authority, a breakdown of the obligations by fiscal year by military department/defense agency for the last five years.

Answer. Obligations as of April 12, 1982:

[Dollar amounts in thousands]

	Fiscal year—						
	1977	1978	1979	1980	1981	1982	Total
Army	12,500		10,833		3,200	11,661	38,144
Navy				5,550	2,431		7,981
Air Force	3,800	8,580		85			12,465
NSA		1,406		1,880			3,286
DMA			2,200				2,200
OSD		466					466
Total	16,300	10,452	13,033	7,515	5,631	11,661	64,542

Question. Provide for the record for the last five years the Emergency authority received annually by each military department and the amount of obligations each year using such authority.

Answer.

[Dollar amounts in thousands]

	Public Law—	Authorized each service	Amount obligatad as of Apr. 12, 1982		
			Army	Navy	Air Force
Fiscal year:					
1977	94–431	$10,000	$9,314	$26,756	$6,730
1978	95–82	20,000	0	------------	7,450
1979	95–356	20,000	581	3,972	18,628
1980	96–125	20,000	6,919	6,657	1,480
1981	96–148	20,000	[1] 4,042	1,467	892
1982	97–99	20,000	0	0	0

[1] Additional $2,250,000 pending for Fort Irwin, Calif.

Question. For cost variation for minor construction, S. 1990 establishes an absolute ceiling of $1,250,000. In the FY 1981 Military Construction Authorization Act, P.L. 96–418, Section 505 was added to permit settlement of contractor claims on military family housing. Do you believe there is a need for a similar provision for minor construction?

Answer. No. No problem has existed because past claims have surfaced at a time when the minor construction law had increased sufficiently to handle the claim. However, the Joint House-Senate Staff Discussion Draft of April 6, 1982 would provide for this contingency by providing adequate cost variation authority upon notification of Congress. We would support this concept.

Question. If answer is in the affirmative, provide some examples to demonstrate this need.

Answer. No recent examples are available, as past claims have surfaced at a time when the minor construction law upper limit has increased. The increase in fiscal year 1983 will undoubtedly allow prior year claims to be paid. The problem would occur when a minor construction project approved under the new $1,000,000 authority had a claim or a combination of claims and unusual variations in cost exceeding the absolute ceiling of $1,250,000.

Question. In October 1979, the Department of Defense submitted comments on the Armed Services Committees' original draft of the Military Construction Codification bill in the form of a second draft. Hereafter that draft will be addressed the DoD draft. By the DoD draft, you proposed to separate the known minor construction, specified location projects, from the exigent, the "out-of-budget cycle", projects. It was proposed to authorize the specified location projects under an installation amount in Sections 101, or 201, or 301, or 401. For the exigent requirments, it was proposed to include a lump sum amount in sections similar to Section 103 of this year's military construction authorization bill. What were your reasons for working this separation and distinction? Do you still favor this approach?

Answer. Our original proposal envisaged including the appropriate amount of specified minor construction authorization within the total amount authorized for each of the installations listed within the respective service titles. One of the reasons for this, aside from believing that the installation authorization total should reflect all work planned for that installation, was to provide greater flexibility in executing the installation's program within the 105 percent installation variation limit which was then in effect.

However, if the draft language of H.R. 5241 and S. 1990 is passed substantially as written, the 105 percent installation limitation would not be included in the codified language. This would eliminate one of the reasons for including the specified minor construction within the installation total. With respect to our current views, we still believe inclusion of specified minor construction within appropriate installation totals gives a more accurate reflection of the total work planned in a given fiscal year at that location.

Question. Do you still favor this approach?

Answer. As we have indicated in the response to the previous question, we still favor this procedure as most accurately reflecting the total value of work to be undertaken at any given installation. In order to reduce the volume of project justification forms requiring Committee review, consideration could be given to simply listing the minor construction project(s) on the Form 1390 for the installation (with its estimated cost), and then providing one omnibus Form 1391 for all specified minor construction projects within a service title. That form would list each such project at its installation location, the estimated cost, a description of the requirement, and the justification.

Question. When the minor construction authority was modified in the fiscal year 1978 Military Construction Authorization Act, the changes were made to provide increased flexibility to the military departments in managing this important element of military construction and to permit Congress to focus on major projects in the authorization bill. The Committee was concerned at that time that the provision of increased flexibility could lead to abuses of attempting a larger undertaking through a series of minor construction projects. Because of this concern, the term "specific purpose" was included in the definition of a minor construction project. The Committee continues to want to prevent abuses on minor construction authority through incrementation and retained this phrase in S. 1990. In the DOD draft "specific purpose" was eliminated. What mechanisms and procedures would you propose to prevent the abuses of concern to the Committee?

Answer. The words "specific purpose" was eliminated in the Department of Defense draft to allow a minor construction project to be approved for facilities for an advance party of a new mission. We would program the balance of the larger requirement in a future year, timed with the arrival of the balance of the new mission. Under the strict interpretation of "specific purpose" this could not be accomplished. The mechanisms and procedures are already in effect to make clear that incrementation is not permitted. These regulations are in DOD Directive 4270.24. This directive requires that a responsible commander certify that the project complies with law.

CODIFICATION

Question. Why do you want authority for an out-of-budget cycle minor construction project to precede or follow a regular military construction project?

Answer. There are numerous instances where a new mission requirement results in a new facilities requirement and, therefore, is a Milcon project. Normally the total requirement is not needed until the normal Milcon cycle can provide it. Frequently however, the initial requirement is more immediate and small enough in scope to be handled with an out-of-budget cycle minor construction project. This is the preferred method, as it provides a complete and usable facility to meet the specific need during a specific timeframe. The later Milcon project meets the specific need of a later timeframe.

Question. Provide for the record some examples of problems created by the phrase "specific purpose".

Answer. There have been a number of instances in the past few years where the "specific purpose" provision has curtailed our capability to adequately respond with construction support to organizational unit or mission deployments. In each case, work on several buildings, each a completely separate and useable facility, was required to support additional military personnel and equipment scheduled for a base. Since each facility supported the same specific purpose, all the facilities had to be combined into a single project, whose cost exceeded the minor construction upper limit. This required deferral of the construction effort to the next regular Military Construction Program, whereas it could have been accomplished immediately using minor construction if the restrictive definition of "specific purpose" had not been a factor. In all these instances, and in order not to delay the achievement of important military objectives related to these deployments of personnel and equipment, it was necessary to activate them with extremely limited facilities. These extraordinary and austere workaround actions were necessary until adequate facility support could be provided in the next military construction program.

Question. Is there merit in making the approval amount for the Secretary of the military department, or Director of the defense agency concerned, the same as the amount established for notifying Congress of intent to proceed with an exigent minor construction project?

Answer. Yes. This would place approval and decision authority at the lowest practicable level, speeding the time required for project approvals which in turn would permit earlier contract awards. Depending on the rate of construction cost escalation in the timeframe in which the award is made, this could result in substantial savings. As an example, a delay of four weeks in a $500,000 project, assuming a 9 percent annual cost escalation factor, would add some $3,750 to the project cost.

Question. Why shouldn't minor construction that is accomplished using O&M funds, be accomplished using MILCON authorization and appropriations?

Answer. Minor construction accomplished with O&M funds provides the Military Departments a capability to perform their function with economy and efficiency that is not available through the MILCON process. The key advantages of O&M construction authority are responsiveness, controlled decision making made at the field level, and an avoidance of unnecessary approval and administration systems. It provides field commanders with a limited but sufficient capability to accomplish minor construction to satisfy changes in mission requirements, unforeseen Defense priorities, and day-to-day requirements such as correcting security deficiencies, and hazardous or unsafe conditions. It permits the accomplishment of so-called "construction" work which is incidental to the maintenance and repair work for which field commanders have the responsibility and authority. Examples of this "construction" work include relocation of partitions and installation of greater capacity electrical service incidental to building repair; addition of turning lanes while repaving deteriorated roadways; paving drainage ditches, during maintenance project, to halt erosion; increasing the capacity of a culvert system while making needed repairs.

Other "construction" work accomplished with O&M funding is extremely limited in scope, such as installation of meters, lighting controls and insulation for energy savings; installation of rails, exhaust fans and fire alarms for safety reasons; installation of security devices.

Loss of O&M minor construction authority would complicate the budgeting, project review and approval, and project execution processes. Much of O&M minor construction funding is devoted to unforeseen requirements which are difficult to budget. During reviews of projects that combine construction with maintenance and/or repair, decision-makers would have to ensure that both O&M and Milcon funds were available to accomplish the project. This may be unlikely at the end of the year, thus creating potential delays for some necessary accomplishments. In a combined construction/repair project, any unforeseen requirement for "construction" or for unexpected "construction" cost increases would require seeking additional Milcon funds before proceeding, and at the very least, delay the project and potentially increase the cost. The alternative would be to proceed with repairs only and complete the "construction" portion later at a significantly increased cost.

Authority to accomplish minor constructtion with O&M funds is a long standing, positive statutory precedent that enhances Defense efforts. Use of the authority is a controlled process, yet it provides field commanders with the limited authority and capability necessary to accomplish their missions. Much of the total funding used under that authority is used to perform necessary alterations and improvements incidental to facilities maintenance and repair projects. For that purpose in particular, loss of the O&M minor construction authority would be especially burdensome, imposing inefficiencies and creating delays and increased costs. The "construction" performed each year under that authority is only a very small segment of the total Defense construction program. The O&M minor construction authority should be retained in law.

CONTRIBUTIONS FOR NATO INFRASTRUCTURE

Question. For fiscal years 1980 and 1981, how much was obligated for NATO infrastructure construction in each quarter of the fiscal year as a percentage of the total amount authorized?

Answer. Precise figures are not available on a quarter by quarter basis for fiscal year 1980 and earlier. However, the following table reflects total fiscal year obligations as a percentage of the total authorized while quarterly details are provided for fiscal year 1981 and the first two quarters of fiscal year 1982:

[Dollar amounts in millions]

	Total obligated	Total authorized	Percent of total obligated to authorized
Fiscal year:			
1977	$90.7	$80.0	113
1978	95.7	85.0	112
1979	158.4	166.3	95
1980	168.6	172.8	98
1981	319.1	300.0	106

	Quarterly obligations as a percent of authorization			
	1st	2d	3d	4th
1981	42.7	20.0	13.0	30.7
1982	25.8	17.77		

Reasonable estimates for the yearly authorization required are possible. However, the many variables inherent in the NATO infrastructure program make it virtually impossible to make long range predictions on a quarterly basis. The data provided reflects these fluctuations and the development of any kind of quarterly trend is not statistically sound.

CONTRIBUTIONS FOR NATO INFRASTRUCTURE

Question. Based on these figures, what reporting frequency is needed to provide meaningful obligation status information to the appropriate Committees of Congress?

Answer. Congress currently receives a quartely DOD report titled, "Infrastructure—Congressional Quarterly Report of Obligation, U.S. Share for (Quarter)." The report cites current exchange rates and the U.S. share of NATO obligations and deobligations by infastructure category and country. Additionally, the report provides a line item description of every project authorized during the specific period.

RESTORATION OR REPLACEMENT OF FACILITIES DAMAGED OR DESTROYED

Question. How much was obligated in fiscal years 1980 and 1981 by each military department/defense agency using this authority?

Answer.

10 U.S.C. 2673 OBLIGATIONS

	Fiscal year—	
	1980	1981
Army	$1,986,571	$676,000
Navy	0	4,391,000
Air Force	1,037,000	816,000
Total	3,023,571	5,883,000

Question. For fiscal years 1980 and 1981, what was the shortest and longest elapsed time from time of damage or destruction of a facility to the start of construction or the repair or replacement of the permanent facility?

Answer. The shortest elapsed time was 7 months for a Navy requirement, and the longest elapsed time was 44 months for an Army family housing requirement.

Question. What authority is used to provide interim facilities while permanent replacement facilities are being constructed?

Answer. In many cases the interim facilities are provided by doubling up in existing facilities. Relocatable buildings can be used for short-term requirements. Department of Defense Instruction 4165.56 "Relocatable Buildings" provide appropriate guidance. For family housing, units may be leased when construction has been authorized by law but is not yet completed under the authority contained in 10 USC 2686.

Question. Have any critical tasks or functions been disrupted because of a lack of interim facilities?

Answer. No primary mission has had to be suspended because of the lack of interim facilities, but tasks and functions are seriously disrupted when make-shift, inefficient, temporary facilities and arrangements are used.

Question. Provide for the record by military department/defense agency for the shortest and longest elapsed time projects a milestone chart showing the time periods for approval by echelon, design, advertising, bidding, bid evaluation award and start of construction. Superimpose the milestone chart on the applicable fiscal years.

Answer. The milestone charts for the Military Departments follow:

SCHOFIELD BARRACKS, HAWAII   REPLACE TACTICAL EQUIPMENT SHOPS

		Jan 80	FISCAL YEAR 1980
Feb	Requirement Identified		
		Apr 80	
May	Hq Dept of Army Course of Action		
Jun	Design authorized		
Jul	OSD Approved	Jul 80	
Jul	Submitted to Congress		
Sep	Approved by Congress		
		Oct 80	
Dec	Design Started (A/E)		
		Jan 81	FISCAL YEAR 1981
		Apr 81	
May	Design completed		
May	Advertise Project		
Jul	Bids Opened	Jul 81	
Jul	Project Awarded		
Aug	Construction Start	Aug 81	

NAVAL STATION ADAK, ALASKA MOORING PLATFORM (Shortest Elapsed Time)

		Jul 80	1980
Aug	Design Started as EMM Project		
		Oct 80	
Nov	Damage Occurred		FISCAL YEAR 1981
		Jan 81	
Mar	Design Completed		
Apr	OSD Approved		
		Apr 81	
Apr	Project Advertised		
May	Reprogramming Approved		
Jun	Congress Notified	Jul 81	
Jun	Bids Opened		
Jun	Project Awarded		
		Oct 81	
Jun	Construction Start		

NAVAL STATION CHARLESTON, S. C. FBM PIER (Longest Elapsed Time)

		Oct 79	FISCAL YEAR 1980
Oct	Damage Occurred		
		Jan 80	
Jan	Design Started		
		Apr 80	
		Jul 80	
Sep	Design Completed		
Sep	Project Advertised	Oct 80	
Oct	Bids Opened		
Oct	OSD Approved	Jan 81	1981
Dec	Congress Notified		
Dec	Project Awarded	Oct 81	
Dec	Construction Start		

MCCONNELL AFB, KANSAS   RESTORE MISSILE COMPLEX

		Jul 78	
Aug	Requirement Identified		
		Oct 78	FISCAL YEAR 1979
Nov	HQ USAF Course of Action		
		Jan 79	
Mar	Design Start		
		Apr 79	
		Jul 79	
Aug	To OSD for Approval		
Oct	Design Completed	Oct 79	FISCAL YEAR 1980
Nov	OSD Approved		
Dec	Submitted to Congress and Approved		
		Jan 80	
Feb	Advertise Project		
Apr	Bids Opened	Apr 80	
Jun	Cost Variation/Reprogramming to Congress		
		Jul 80	
Aug	Cost Var Approved		
Aug	Project Awarded		
Sep	Construction Start		
		Oct 80	

CLARK AFB NATURAL DISASTER
STABILIZE RIVER BANK

Oct	Requirement Identified
Dec	To OSD for Approval
Feb	Design Start
Mar	OSD Approved
Apr	To Congress
May	Congress Approved
Jul	Design Comp
Aug	Advertise Project
Sep	Bids Opened
Sep	Contract Awarded
Sep	Construction Start

Oct 78
Jan 79
Apr 79
Jul 79
Oct 79

FISCAL YEAR 1979

AUTHORIZED COST VARIATION FOR MILITARY CONSTRUCTION PROJECTS

Question. How many cost variation reports and how many reprogrammings were there in Fiscal Year 1980 and 1981?

Answer. The information follows:

	Fiscal year 1980		Fiscal year 1981	
	CVR	RA	CVR	RA
Army	26	32	15	22
Navy	15	16	11	10
Air Force	9	13	16	22

Legend: CVR—Cost variation report submitted by the services for cost growth in excess of the authorized amount of the project by 25 percent or more, or when the station total has been exceeded by 5 percent in Conus or 10 percent overseas. Statistics does not include reports where the scope was reduced by more than 25 percent. RA—Reprograming action for cost growth, emergency construction, restoration, or reinstatement of previously appropriated funds.

Question. How many cost variation reports did not require reprogramming?

Answer. The information follows:

	Fiscal year—	
	1980	1981
Army	16	9
Navy	0	5
Air Force	0	9

Question. How many reprogrammings did not require a cost variation report?

Answer. The information follows:

	Fiscal year—	
	1980	1981
Army	12	10
Navy	1	4
Air Force	4	10

Question. How many of the cost variation reports and how many of the reprogrammings were for projects with authorized amounts greater than $10 million and how many for greater than $100 million?

Answer. The information follows:

	CVR		RA	
	$10,000,000 or greater	$100,000,000 or greater	$10,000,000 or greater	$100,000,000 or greater
For fiscal year 1980:				
Army	1	0	0	0
Navy	1	0	1	0
Air Force	1	1	3	1
For fiscal year 1981:				
Army	1	0	1	0
Navy	6	0	6	0
Air Force	1	1	4	2

Question. Provide for the record for fiscal years 1977 through 1981, by Military Department/Defense Agency the following:

(a) Total Milcon dollar amount obligated by fiscal year.
(b) Number of project cost variation reports.
(c) Total dollar increase from cost variation reports.
(d) Percent item c is to item a.
(e) Number of reprogrammings.
(f) Total dollar increase for reprogrammings.
(g) Percent item f is to item a.

Answer. The information follows:

[In millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
(a) Army	406.2	406.6	561.7	544.4	569.8
Navy	441.5	448.0	677.2	385.6	523.2
Air Force	(1)	519.0	492.0	539.0	865.0
(b) Army	5.0	7.0	9.0	20.0	12.0
Navy	7.0	9.0	18.0	4.0	5.0
Air Force	(1)	4.0	11.0	9.0	16.0
(c) Army	.6	24.4	10.3	21.7	20.4
Navy	2.8	37.8	34.3	18.6	24.4
Air Force	(1)	2.5	11.9	79.5	36.5
(d) Army	.1	6.0	1.8	4.0	3.6
Navy	.6	8.4	5.1	4.8	4.7
Air Force	(1)	.5	2.4	14.8	4.2
(e) Army	0	9.0	15.0	19.0	6.0
Navy	1.0	10.0	21.0	1.0	5.0
Air Force	(1)	8.0	14.0	13.0	22.0
(f) Army	0	23.2	25.4	37.3	24.6
Navy	2.2	35.5	28.9	1.2	24.4
Air Force	(1)	15.9	13.8	106.2	79.4
(g) Army	0	5.7	4.5	6.8	4.3
Navy	.5	7.9	4.3	.3	4.7
Air Force	(1)	3.1	2.8	19.7	9.1

[1] Information not available.

Question. What is the normal and longest processing time for a cost variation report and for a reprogramming?

Answer. For a cost variation report the normal processing time is approximately 30–45 days and the longest processing time has been 120 days. For a reprogramming action the normal processing time is approximately 15–45 days and the longest processing time has been 140 days.

Question. What impact do delays in cost variation reporting and reprogramming have?

Answer. Submission of cost variation reports and reprogramming requests may result in delays which sometimes cause delays in making initial contract awards or construction starts, or delays in issuing change orders to deal with unforeseen conditions (these often require urgent or immediate action). Delays in award result in delays in completion and increase costs, either directly or indirectly. Delays may also require contract bid extensions which cause problems for the contractors with bonding capacity and with bidding other work. Lastly, there are possible increases in user costs due to delayed beneficial occupancies.

Question. The fiscal year 1983 Military Construction Authorization Bill proposes to raise the notification ceiling from $250,000 to $500,000. How many notifications were made in fiscal years 1980 and 1981:

Answer. The numbers of notifications submitted by the Military Departments to Congress under the $250,000 requirement of 31 USC 723a are listed below:

	Fiscal year	
	1980	1981
Army	34	104
Navy	53	121
Air Force	37	58
Total	124	283

Question. How many fewer notifications would have been made if the ceiling had been $500,000?

Answer: If the amount specified in 31 USC 723a had been $500,000 the following numbers of notifications would have been forwarded to Congress:

	Fiscal year—	
	1980	1981
Army	11	32
Navy	10	49
Air Force	20	22
Total	41	103
Net reduction from notifications actually forwarded	83	180

Question. Provide for the record, using a standard construction cost index, a historical comparison of the statutory notifications ceiling starting with the original statutory ceiling.

Answer. The following table displays the Engineering News Record (McGraw-Hill Co.) Building Cost Index published on March 18, 1982. The notification threshold was first established in 1966 at $150,000. It was revised to $225,000 in 1974 and to $250,000 in 1978.

Year	Building cost index	Increase (650=1)	Notification threshold	Indexed threshold
1966	650	1.00	$150,000	$150,000
1967	672	1.03	150,000	154,500
1968	721	1.11	150,000	166,500
1969	790	1.22	150,000	183,000
1970	836	1.29	150,000	193,500
1971	948	1.46	150,000	219,000
1972	1,048	1.61	150,000	241,500
1973	1,138	1.75	150,000	262,500
1974	1,204	1.85	225,000	277,500
1975	1,306	2.01	225,000	301,500
1976	1,425	2.19	225,000	238,500
1977	1,545	2.38	225,000	357,000
1978	1,674	2.58	250,000	387,000
1979	1,819	2.80	250,000	420,000
1980	1,943	2.99	250,000	448,500
1981	2,097	3.23	250,000	484,500

Question. What would be the indexed notification ceiling for October 1982, October 1983?

Answer. Using the same building cost index and estimating that it will increase for the next 6 months at the same rate it increased for the past 6 months gives an index of 2239 for October 1982. It is noted that if current low levels of construction continue through 1983, costs will probably go up 4 to 5 percent a year. If activity increases, the increased demand will probably push costs up in the range of 8 to 9 percent. Using an average of 7 percent, the October 1983 index would be 2395. Using these indices the threshold would be as follows:

Date	Index	Increase over 1967	Threshold
October 1982	2239	3.44	$516,000
October 1983	2395	3.68	552,000

DEFINITION

Question. The definition for a military construction project was developed from the definition used for a minor construction project in 10 USC 2674. In the Department of Defense draft for the Codification bill, minor construction projects were defined under the minor construction provisions and other military construction projects were defined only for the purpose of the cost variations section. The definition used in the cost variation section was: "A military construction project includes all military construction necessary to complete an approved public works." The term "public works" was not incorporated in the definition of S. 1990 because the Committee believes this term is confusing when addressing military construction projects. Considerable thought has been given to the merits of a single definition for all military construction or whether separate definitions should be used as proposed by Defense. What is your current position on a definition of a military construction project?

Answer. In our view the definition of a military construction project should be the same regardless of whether it is to be accomplished by major military construction authority or minor. The description should be simple, concise and clearly define the parameters of work to be accomplished. We are sympathetic to past reservations and restrictive language which have largely been based on apprehensions that in the absence of such restrictions there might be abuses of the authority granted, especially in minor construction. Our experience over the years has shown these apprehensions are not supportable. Rather, we feel that the definition of a project should be sufficiently free of needlessly narrow and restrictive wording, so that such definition lends itself to the accomplishment of the major functional construction need regardless of its specialized or unique character. In this regard we favor a definition substantially along the following lines:

"A military construction project includes all construction work and land acquisition necessary to produce a facility, or an improvement to an existing facility."

SUBCHAPTER II—MILITARY FAMILY HOUSING

Question. Your draft of the fiscal year 1983 Military Construction Authorization bill proposed to decentralize the administration of family housing. Such decentralization will require changes in the codification of Subchapter II. What benefits are expected from decentralizing administration of family housing?

Answer. This initiative will enable each service to plan its family housing program, determine the resources required, budget those resources from its total obligational authority, and execute the approved program. The advantages are clear. Each service Secretary will be able to devote the resources to family housing he feels necessary within the priorities he establishes for military construction. The day to day decisions such as repairing fire damaged units, executing leases, and so on, will be made at the lowest possible level, thereby reducing the time needed to obtain approvals. The time saved, of course, translates into savings by being able to stay ahead of construction cost increases. Also, the Congress will now be able to consider a service's family housing request in the context of that service's total military construction program.

Question. How will decentralization impact on the numbers of people employed in each military department and the Department of Defense?

Answer. Since the Office of the Secretary of Defense no longer will be involved in day to day decisions on specific projects, the Office has been disestablished and the personnel relocated to fill other positions. Personnel reductions in the military departments will depend upon the degree each service further delegates authority.

Question. Are dollar savings expected?

Answer. Yes. More timely decision-making saves money by staying ahead of cost increases.

Question. Provide for the record the changes required for each section in Subchapter II if the decentralization proposal were accepted.

Answer. Two general changes would be required. First, it would have to be clear that authority can be delegated to Service Secretaries; this could be accomplished either in the law or report accompanying the bill. Second, limitations which are specified in total terms for the Department of Defense would have to be specified individually for each service and Defense Agency.

DETERMINATION OF AVAILABILITY OF SUITABLE PRIVATE HOUSING FOR ACQUISITION IN LIEU OF CONSTRUCTION OF NEW FAMILY HOUSING

Question. There are several differences between S. 1990 and the Department of Defense draft of the fiscal year 1983 Military Construction Authorization bill. In S. 1990, the Secretary of Defense must consult with the Secretary of Housing and Urban Development as to the suitability of private housing at a location before entering into a contract for the construction of family housing at such location. The Secretary of Housing and Urban Development would have 30 days to respond before the contract may be awarded. In the draft of the fiscal year 1983 Military Construction Authorization bill, the wording was changed to the Secretary of a military department shall have consulted with the Secretary of Housing and Urban Development as to the availability of private housing. The 30-day waiting period is not specified. What problems have been experienced with consulting with the Secretary of Housing and Urban Development?

Answer. On occasion, there has been disagreement between a service and HUD on the availability of private community housing to meet the needs of military families. However, this is not considered a problem but rather an example of the legislative requirement accomplishing its purpose.

Question. How often has this consultation resulted in the acquisition of private housing over the last five fiscal years?

Answer. None. Consultation with HUD has nothing to do with whether a particular service builds on post or acquires existing housing. The HUD consultation is intended to affirm or deny a shortage of adequate private housing to meet housing requirements. If a shortage exists, a service obtains line item authority to obtain additional housing. The authority can be exercised either by building new or acquiring existing housing.

Question. What would be the impact of a 30-day waiting period?

Answer. It would put pressure on HUD to review military requirements in a very short period of time. This might or might not be sufficient time to accomplish a full review. We would have to defer to HUD on the time element.

Question. Where there is a difference of opinion between the Secretary and the Secretary of HUD with respect to the availability of suitable private housing at a location, the waiting period after notifying Congress of the differences of opinion has been reduced from 30 days to 15 days. What is the reason for and impact of this change?

Answer. The change from 30 to 15 days for the Congressional notification period is intended to put this requirement in line with other notification periods associated with military construction authorities.

Question. Section 2823(c) of S. 1990 addresses acquiring private housing when agreement is reached on the suitability of private housing. Sections 104(b), 204(b) and 304(b) are similar to 2823(c) and 2824. Do you have any comments on these sections?

Answer. Yes. Section 2823(c) should be deleted. If a service and HUD agree that there is sufficient adequate private community housing available to meet military family housing needs, then the service should neither build nor acquire housing, but rather should rely on the housing that is available.

Question. Section 2823(d) of S. 1990 defines suitable private housing. A similar provision is not found in the draft of the fiscal year 1983 Military Construction Authorization bill. Is this provision needed for the codification bill?

Answer. Yes.

Question. If the answer is affirmative, is the definition of 2823(d) satisfactory?

Answer. No. As presently worded, the definition would exclude housing which might be owned by HUD or another governmental agency due to a default, which might otherwise meet the criteria for suitability.

AUTHORIZATION FOR ACQUISITION OF EXISTING FAMILY HOUSING IN LIEU OF CONSTRUCTION

Question. Section 2824(c) of S. 1990 prohibits the acquisition of family housing units through the exercise of eminent domain authority. What is the history behind this prohibition?

Answer. Prior to the 1976 Military Construction Authorization Act, the Department of Defense had authorization to "construct" not "acquire" family housing. Section 111 of the 1975 Military Construction Appropriation Act, however, stated: " . . funds available . . . for the construction of family housing units may be used to purchase sole interest in . . . family housing units. . . ." The 1976 Department of Defense request contained the authority to acquire as well as construct family housing units with the prohibition against obtaining family housing units by the means of eminent domain. Thereafter, starting in 1976 the Authorization Act provided the authority (in a different form than requested by the Department of Defense) for the acquisition and construction of family housing units; the prohibition against obtaining family housing units by the means of eminent domain was retained.

Question. S. 1990 limits cost variation for family housing to 10 percent of the total cost of construction and acquisition at an installation or facility. Section 2832, settlement of contractor claims on military family housing, would permit the 10 percent limit to be exceeded for the settlement of claims after a report has been submitted to the appropriate committees of Congress. In the draft of the FY 1983 Military Construction Authorization Bill, family housing cost variation has been incorporated in the provisions for cost variation for military construction projects; section 603(d), the criteria for reporting on cost variation under 603(d) are: scope of the project is reduced in excess of 25 percent, or the current working estimate exceeds the project amount by more than 25 percent. Why have you proposed a change in the fiscal year 1983 bill?

Answer. The cost variation authority provided by the Congress to the Department of Defense permits the Services to meet unusual conditions encountered in the execution of Military Construction that could not have been anticipated at the time the project estimate was submitted to Congress. Family Housing consruction is equally subject to unusual conditions that may change the project costs from the time of budget submittal to the time of contract award. Some of these unusual conditions are common to both Military Construction and family housing such as unanticipated inflation, saturated construction markets, and unforeseen subsurface site conditions. Other unusual conditions are unique to family housing. These include changed local government laws that dictate new siting restrictions and additional costs and local government adjustments in the cost of utility connections or the shared cost of new utility construction. Other unusual conditions include the phenomenon that in many cases, prime land has already been used for other projects and that the land available for family housing is generally submarginal. This is a factor in making it difficult to accurately estimate construction costs. The scope of a family housing project is far greater than most military construction projects. This greater scope makes the project far more vulnerable to unforeseen conditions and additional cost than the normal military construction project.

Question. For fiscal years 1980 and 1981, for each family housing project, list the amount authorized and the CWE. Provide details on any project which was reduced in scope to avoid cost variation problems.

Answer. The information follows:

Number of housing units	Location	Authorized amount	CWE
Fiscal year 1980:			
200	Fort MacArthur, Calif	$11,500,000	$12,650,000
332	Tinker AFB, Okla	12,000,000	8,597,100
Fiscal year 1981:			
500	Fort Ord, Calif	30,808,000	[1] 26,214,000
200	Fort Stewart, Ga	9,716,000	[1] 7,845,400
200	Fort Polk, La	11,173,000	[1] 10,237,000
150	Lajes Fld, Azores	9,768,000	9,768,000
200	Incirlik, Turkey	11,723,000	11,323,000
132	MCAS Yuma, Ariz	8,050,000	[1] 6,500,000
270	Defense Housing Complex, San Francisco, Calif	19,045,000	[1] 15,500,000
300	MCAS El Toro, Calif	17,483,000	[1] 13,500,000
400	Naval Complex, New London, Conn	24,608,000	[1] 20,868,000
62	NAS Brunswick, Maine	3,956,000	[1] 3,296,000
232	Naval Complex, Norfolk, Va	12,093,000	[1] 10,813,000
5	Classified location	468,000	465,000

[1] It may be noted that all 1981 projects within the United States have a CWE that is considerably less than the amount authorized in Public Law 96-418. This is because all of these projects were originally authorized at a cost that included solar energy systems which subsequently could not be built because of revised congressional criteria for these systems. The project costs shown are the current working estimates with the solar energy systems not included.

Note: No projects have been reduced in scope because of cost variation problems.

Question. S.1900 establishes a $20,000 per unit ceiling on the improvement of a family housing unit. When this provision was first enacted as Section 610(a) of the Military Construction Authorization Act, 1968, the ceiling amount was $10,000 per family housing unit. When was it increased to $20,000 per unit?

Answer. The limitation of family housing unit improvements was established and amended as follows:

Established Sec. 610(a) Public Law 9–110, Oct. 21, 1967, $10,000 per unit; amended Sec. 506(a) Public Law 93–166, Nov. 29, 1973; $15,00 per unit; amended Sec. 502(b) Public Law 96–418, Oct. 10, 1980, $20,000 per unit.

Question. What would the amount be in October 1982 and October 1983 if the $10,000 amount were adjusted from its establishment date, using a construction industry standard cost index?

Answer. The following table shows the annual average Building Cost Index History published by the McGraw-Hill Company in the Engineering News-Record of March 18 1982:

Year	Building cost index	Increase	Limitation
1967	672	1.00	$10,000
1968	721	1.07	
1969	790	1.18	
1970	836	1.24	
1971	948	1.41	
1972	1048	1.56	
1973	1138	1.69	[1] 15,000(16,900)
1974	1204	1.79	
1975	1306	1.94	
1976	1425	2.12	
1977	1545	2.30	
1978	1674	2.49	
1979	1819	2.71	
1980	1943	2.89	[1] 20,000(28,900)
1981	2097	3.12	
October 1982	2239	3.33	[2] 33,000
October 1983	2395	3.56	[3] 35,600

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[1] Amounts in parentheses show what the limitation would have been if it had followed the building cost index.

[2] Projected on the basis that the cost index will raise by the same percentage in the next 6 mo as it did in the past 6 mo. This is a very conservative estimate of only 2-percent increase in the next 6 mo.

[3] Projected on the basis of a 7-percent increase from October 1982 to October 1983. This is very difficult to predict. If the current low volume of construction continues, inflation may be 4 or 5 percent; if substantial increases in construction volume occur, the increased demand could raise inflation to the 8- to 9-percent range.

Note: This range would put the limitation on family housing unit improvements somewhere between a probable low of $34,640 to a probable high of $36,310.

LIMITATIONS ON SPACE BY PAY GRADE

Question. What would be the cost impact on future budget requests of standardizing 4 bedroom units at 1,450 square feet and 3 bedroom units at 1,350 square feet?

Answer. It is impossible to predict a future budget impact since we do not know, at this time, the bedroom composition of projects beyond fiscal year 1983.

Question. How often has this authority been used in the last 5 fiscal years?

Answer. Only the Air Force has requested and received authority to relocate military family housing units in the last 5 fiscal years. They have used this authority three times in that period. In fiscal year 1977, the Air Force received authority to relocate 200 modular homes from the deactivated Nekoma ABM Site, ND to Grand Forks AFB, ND. In fiscal year 1981, the Air Force received authority to relocate 40 mobile homes from Grand Forks AFB, ND to Lajes Field, Azores. In fiscal year 1982, the Air Force received authority to relocate 18 mobile homes from Bergstrom AFB, TX and the deactivated Duluth ANGB, MN to Port Austin AFS, MI.

Question. What would be the impact of deleting this authority and having the units for the relocated site authorized in the following fiscal year?

Answer. It would mean a delay in obtaining authority with attendant cost increases and protracted underutilization of housing at the site no longer needing the housing.

Question. Provide for the record for fiscal years 1980 and 1981 by military department/defense agency, the number of military family housing units leased, the high and low lease amounts and the distribution of lease costs as a percent of a maximum lease cost of $600/month.

Answer. The information follows:

Fiscal year: Military department	Range		Leases		
	Percent	Dollars/month	Number	Percent	Cumulative percent
	Less than 60	Less than 360	1,672	89	89
	60 to 70	316 to 420	131	7	96
	70 to 80	421 to 480	73	4	100
	80 to 90	481 to 540	0		
	90 to 100	541 to 600	0		
Total			1,876		
1980: Army	Lowest 260	Highest 475			
	Less than 60	Less than 360	793	76	76
	60 to 70	361 to 420	198	19	95
	70 to 80	421 to 480	52	5	100
	80 to 90	481 to 540	2	0	100
	90 to 100	541 to 700	0		
Total			1,045		
1981: Army	Lowest 287	Highest 515			
	Less than 60	Less than 360	1,420	94	94
	60 to 70	361 to 420	70	5	99
	70 to 80	421 to 480	20	1	100
	80 to 90	481 to 540	0		
	90 to 100	541 to 600	0		
Total			1,510		
1980: Navy	Lowest 205	Highest 475			
	Less than 60	Less than 360	440	80	80
	60 to 70	361 to 420	97	17	97
	70 to 80	421 to 480	14	3	100
	80 to 90	481 to 540	1	0	100
	90 to 100	541 to 600	0		
Total			552		
1981: Navy	Lowest 275	Highest 490			
	Less than 60	Less than 360	973	68	68
	60 to 70	361 to 420	254	18	85
	70 to 80	421 to 480	193	13	99
	80 to 90	481 to 540	9	1	100
	90 to 100	541 to 600	5		100
Total			1,434		
1980: Air Force	Lowest 225	Highest 599			
	Less than 60	Less than 360	592	48	48
	60 to 70	361 to 420	298	24	72
	70 to 80	421 to 480	280	17	89
	80 to 90	481 to 540	79	6	95
	90 to 100	541 to 600	69	5	100
Total			1,246,		
1981: Air Force	Lowest 240	Highest 595			

Question. What would have been the maximum lease cost as of October 1, 1979, 1980 and 1981 on the basis of establishing the maximum lease costs of those dates by indexing the cost from the date of its first enactment using an industry standard index for adjusting lease costs of family housing units?

Answer. Using the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers, Rent Series as an index, the maximum cost would have been adjusted as follows using fiscal year 1980 as a base.

	Actual	CPI adjustment
Fiscal year:		
1980	$475	$475
1981	515	515
1982	515	561

Note: There is no index for foreign leasing costs.

Question. What should be the maximum lease cost as of October 1, 1982 and October 1, 1983?

Answer. October 1, 1982, $600; October 1, 1983, $660.

Note: Addresses CONUS leases only.

Question. Provide for the record a 10-year history of the ceiling amount authorized for expenditure for rental of family housing in foreign countries. Compare the ceiling amount at the origin date with some industry standard for indexing rental or leasing costs for family housing units. Show the need for the $1,400 per unit ceiling proposed for fiscal year 1983.

Answer. The information follows:

Fiscal year—	*Monthly maximum*
1974	$625
1975	625
1976	670
1977	700
1978	760
1979	850
1980	970
1981	1,115
1982	1,115
1983	1,400

A monthly maximum of $1,400 is necessary for fiscal year 1983 so that the number of currently authorized leases (250) exceeding the monthly maximum will not need to be increased. The requested monthly maximum reflects the high rates of inflation, particularly for utilities, experienced in foreign areas, and the cost of newly leased units to support Defense Attache positions.

Comparing the cost of foreign leased housing with an industry index is misleading. Available housing indices generally pertain to construction costs in the United States. Military family housing is leased in over 80 foreign countries. However, applying the Consumer Price Index for housing costs, to the $625 amount for fiscal year 1974, and assuming inflation of such costs to be 5.5 percent per annum for 1982 and 1983, would yield an amount of approximately $1,400 for housing costs in 1983.

Question. Provide for the record for the last 10-years, the number of waivers annually of the ceiling amount for rental of family housing units in foreign countries.

Answer. The information follows:

	Number of units		
	Army	Navy	Air Force
Fiscal year:			
1982	25	47	7
1981	25	22	5
1980	23	22	5
1979	23	20	5
1978	23	20	5
1977	24	15	5
1976	32	15	6
1975	44	15	6
1974	80	19	6
1973	80	19	6

Question. Provide for the record for a 10-year period, the number of family housing units leased annually in foreign countries.

Answer. Number of Family Housing Units Leased Annually:

Military department: Fiscal years	Number of units
Army:	
1982	11,112
1981	9,326
1980	8,437
1979	7,489
1978	5,581
1977	5,096
1976	4,323
1975	3,189
1974	1,553
1973	1,023
Navy:	
1982	1,010
1981	967
1980	927
1979	918
1978	826
Navy—Continued	
1977	787
1976	669
1975	341
1974	458
1973	280
Air Force:	
1982	4,333
1981	3,783
1980	3,451
1979	2,870
1978	2,838
1977	2,433
1976	2,392
1975	2,050
1974	1,846
1973	1,830

Question. What are the reasons for increasing the number of family housing units leased annually in foreign countries.

Answer. Army—An increase in the number of leased family housing units is requested to provide suitable housing for military members assigned to Europe and Korea. This increase will permit those military members currently living in substandard quarters or separated from their families to occupy adequate family housing facilities. Family housing lease units are also required to support structure changes and force modernization systems being implemented.

Navy—The increase will allow additional leasing as a means to suitably house military personnel in foreign areas.

For Navy, those increases are:

	Number of leases
Singapore	17
Hong Kong	10
Naples	210

Air Force—The increase proposed in the Air Force program is 1,035 leases. The leases are to be used for conversion to direct lease of a Rental Guarantee Housing (RGH) project in the United Kingdom; additional lease units in Germany and Turkey; and a small increase for GLCM, Italy.

Question. For a five-year projection, define and justify the leasing ceiling needed for family housing units in foreign countries.

Answer. The Army requires a leasing ceiling of 18,573 family housing foreign leases in fiscal year 1983. This ceiling will provide leases to essentially eliminate USAREUR and Korea's current family housing deficit for which leasing is the most economic alternative, and will permit a managerial allowance similar to that provided to DoD in fiscal year 1982, to provide maximum flexibility in executing the leasing program. Based upon other stationing plans during the development of the fiscal year 1983 budget it is anticipated that an additional 1,500 units would be required by fiscal year 1987. These additional family housing units will provde support for modernization systems, force structure changes and upgrading of training facilities.

The number of lease points required for Navy will increase through fiscal year 1985, and begin to drop in fiscal year 1986 and 1987 with the proposed purchase of lease construction projects.

Fiscal year—	*Foreign lease points*
1983	1,874
1984	2,451
1985	2,451
1986	2,377
1987	2,227

Increases in specific foreign areas are to support existing missions and known requirements. Leasing has been proven to be the most cost effective means to satisfy this family housing requirement. The reduction of leased units after fiscal year 1985 is the result of the proposed purchase of existing housing projects currently under lease. The current lease agreement does not permit acquisition prior to this time.

The growth in the lease authorization ceiling for Air Force in fiscal year 1983 will allow the Air Force to begin negotiations to satisfy requirements for the five-year period. The ceiling includes 1,240 units for GLCM, Italy to come on line during fiscal year 1984 and 1985; 650 units for GLCM third country to come on line during fiscal year 1985, 1986 and 1987; 1,350 units for conversion of the Rental Guarantee Housing units in the United Kingdom to direct lease during fiscal year 1983; moderate growth in units in Germany during fiscal year 1983 and 150 new lease units in Turkey during fiscal year 1983. The remainder of the lease program will continue at or near present levels.

Fiscal year--	*Foreign lease points (units)*
1983	8,028
1984	8,028
1985	8,028
1986	8,028
1987	8,028

Question. Subsection (f) of Section 2829—Leasing of military housing—prohibits leasing family housing in a foreign country with an annual rental in excess of $250,000 without prior notification of Congress. For the last 10 years, how many cases have occurred where the Congress was notified of a need to exceed the applicable ceiling amounts?

Answer. Army 30; Navy, 14; Air Force, 15.

USE OF SOLAR ENERGY SYSTEMS

Question. Provide for the record, using the criteria of this section, the following information broken down by military department/defense agency:

a. If the criteria of this section had been in effect for fiscal years 1980 and 1981, how many projects would have included a solar heating or cooling system?

(1) What would have been the cost of the solar systems?

(2) What percentage would the solar system cost have been of the total project cost?

b. How many projects are projects to include solar systems in fiscal years 1983 and 1984?

(1) What are the projected expenditures for solar systems?

(2) What percentage would the solar system cost be of the total project cost?

Answer. The following data for the military departments and the defense agencies responds to the question regarding solar energy.

Defense Agencies

(a) If the criteria of this section had been in effect for fiscal years 1980 and 1981 no solar heating or cooling systems would have been programmed for Defense Agency construction. Even under the previous criteria, there was none programmed.

(b) The fiscal year 1984 program for Defense Agency construction is not defined to the extent that projected solar expenditures can be determined. In Fiscal Year 1983, we have three Defense Agency projects which have programmed solar costs.

(1) The projected cost for the systems and the total project costs are as follows:

DEFENSE AGENCY FISCAL YEAR 1983 SOLAR PROGRAM

[Dollar amounts in thousands]

Project	Project cost	Solar cost	Solar (percent)
Central instruction facility, Presidio of Monetery, Calif	$7,500	$389	5.2
Barracks, Presidio of Monterey, Calif	23,500	1,016	4.3
Auditorium, Fort Belvoir, Va	4,600	132	2.9

For Air Force

If the criteria of this section has been in effect, the following projects would have been cost effective under the proposed criteria:

[Dollar amounts in thousands]

Location/project	Solar cost	Project cost	Solar (percent)
Beale AFB, Calif.: Audiovisual service center	$30	$820	3.66
Kelly AFB, Tex.: Sanitary facilities	19	650	2.92
NADC, Warminister, Pa		6,100	.4
MCB, Camp Pendleton, Calif		42,150	2.4
NAS, Moffett Field, Calif		545,000	8.0
MCB, Camp Pendleton, Calif		714,400	6.8
SIMA, Pearl Harbor, Hawaii		64,970	.9

Design has just started on fiscal year 1984 projects and solar design data will not be available until sometime during the fall of 1982.

For Army

Question 73a. If the criteria of this section had been in effect for fiscal years 1980 and 1981, how many projects would have included a solar heating or cooling system?

Answer. None.

Question 73a(1). What would have been the cost of the solar systems?

Answer. Since there were no projects, no cost is involved.

Question 73a(2). What percentage would the solar system cost have been of the total project cost?

Answer. Since there were no projects and no cost, there is no percentage.

Question 73b. How many projects are projected to include solar systems in fiscal years 1983 and 1984?

Answer. There are 16 and 99 projects with solar systems projected in fiscal years 1983 and 1984 respectively. However, all of these projects were projected using the solar criteria superseded by the Military Construction Authorization Act, 1982. To date the examination of the solar studies for these projects has not found one project that is cost effective using the current criteria.

Question 73b(1). What are the projected expenditures for solar systems?

Answer. The projected expenditures for the 16 and 99 solar projects for fiscal 1983 and 1984 is $2,395,000 and $11,341,000 respectively. However as stated above, it is doubtful if any of these solar projects will be found cost effective when applying the new criteria.

Question 73b(2). What percentage would the solar system cost be of the total project cost?

Answer. The projected percentages are 2.3 percent and 2.1 percent for the fiscal 1983 and 1984 solar system projects.

Scott AFB, Ill., dental clinic:

Solar cost (thousands)	$35
Project cost (thousands)	$4,000
Solar percent	0.88

(b) There are 24 projects in fiscal year 1983 that include solar systems. The following projects would be cost effective under the proposed criteria:

[Dollar amounts in thousands]

Base/project	Solar cost	Project cost	Solar (percent)
Andrews AFB, Md.: Unaccompanied enlisted personnel housing	$550	$6,100	9.02
Bolling AFB, D.C.: Administrative facilities	30	4,200	.71
Eglin Aux Field 9, Fla.: Aircraft general purpose shop	10	3,000	.33
Fairchild AFB, Wash.: Tanker alert facility	80	2,000	4.0
Gila Bend Aux Field, Ariz.: Gymansium	20	1,700	1.18
Hanscom AFB, Mass.: Systems management eng facility, phase II	360	9,100	3.96
Langley AFB, Va.: Squadron operations	30	1,050	2.86
McChord AFB, Wash.: Gymnasium	420	3,700	11.35
Travis AFB, Calif.: Chapel center	20	2,400	.83
Langley AFB, Va.: Aircraft maintenance unit facility	60	850	7.06
Langley AFB, Va.: Child care center	10	550	1.82

In addition we have another 13 projects in the fiscal year 1983 program that have been determined to be cost effective under Public Law 96–418, section 804.

For fiscal year 1984, we are in the early stages of solar evaluation and we have not yet formulated their cost effectiveness. We expect fiscal year 1984 to be similar in magnitude to fiscal year 1983.

For Navy

Economic analyses are being conducted to ascertain how many projects would have been funded in fiscal year 1980 and fiscal year 1981 if this solar economic analysis criteria had been in effect. This information will be provided for the record.

The following information is provided for fiscal year 1983 solar projects:

Question. Do you have any comments to make on this section?

Answer. In reviewing this section we were struck by the fact that the Committees' staffs had substantially improved on the earlier DoD draft language of October 1979, removing a relatively complicated cost-benefit analysis procedure in our initial draft and replacing it with a much simpler life-cycle costing procedure. They are to be complimented.

Our only suggestions involve subsection (a)(1) where we would recommend inserting the word "systems" after "solar energy" for clarity of intent; and in (a)(3) where we recommend deleting the words "that the contractor", where it appears in the sentence requiring that construction contracts which are let based on including a solar energy system include a requirement "that the contractor" furnish and install such systems. We feel that this is unnecessarily restrictive in that in many, if not most instances, such work would be done by a separate contract or by a subcontractor to the contractor constructing the main facility.

Question. Provide for the record for fiscal years 1981, 1982, and 1983 by Military Department/Defense Agency the following:

a. Number of permanent (not training) barracks projects planned for occupancy only by E–2 through E–4 personnel.

Answer. The information follows:

	1981	1982	1983
Navy	3	6	3
Air Force	11	14	21
Army	0	0	0

b. Number of permanent barracks projects planned for occupancy by all enlisted personnel grades.

	1981	1982	1983
Navy	9	20	11
Air Force	5	4	6
Army	10	21	29

c. Provide information on the normal distribution by pay grades that is used in barracks design.

Answer. The following figures are approximate for all Services but vary according to particular installation requirements and Service.

	Percent
E–1—E–4	90
E–5—E–6	9
E–7—E–9	1

d. For future permanent barracks requirements, what would be the normal occupancy distribution by pay grade?

Answer. Approximately the same as the above overall. Overseas rates will vary from CONUS rates, particularly in areas where few or no dependents accompany the service member. As our deficits are eliminated, marital rates change or requirements require the movement of personnel, overall occupancy rates and individual installation occupancy rates will change.

Please note that there is only one barracks project programmed for the Defense Agencies during fiscal years 1981 through 1983. This project is for the Defense Foreign Language Institute at the Presidio of Monterey, California. It will house all grades.

The barracks are unique in that rooms are specially equipped for evening study by the students and designed for a maximum of two men per room regardless of grade. Future barracks will be similarly designed and occupied. Approximately 95 percent of the students will be in pay grades E-2—E-4.

Question. Provide for the record for the last 10 years the cost per square foot authorized for permanent barracks. Using a standard construction cost index, compare the annual cost per square foot with an indexed cost per square foot. Provide an estimate and justification for the cost per square foot for permanent barracks for October 1, 1982 and October 1, 1983.

Answer. The following table lists the Building Cost Index History as published by the McGraw-Hill Company in the Engineering News Record of March 18, 1982:

Year	Building cost index	Increase	Authorized cost per square foot	Indexed cost per square foot
1973	1138	1.00	$27.00	$27.00
1974	1204	1.06	28.50	28.62
1975	1306	1.15	31.00	31.05
1976	1425	1.25	35.00	33.75
1977	1545	1.36	39.00	36.72
1978	1674	1.47	42.00	39.69
1979	1819	1.60	45.00	43.20
1980	1943	1.71	48.00	46.17
1981	2097	1.84	52.00	49.68
1982	[1] 2239	1.97	53.00	53.19
1983	[2] 2395	2.10		56.70

[1] The building cost index for Oct. 1, 1982, has been projected on the assumption that it will increase in the next 6 mo at the same rate it increased in the preceding 6 mo, a conservative 2 percent.

[2] The index for Oct. 1, 1983, has been projected as a 7-percent increase from Oct. 1, 1982. If the current low level of activity in the construction industry continues, this amount will probably be in the 4 to 5-percent range. If activity expands, the larger demand will probably cause an increase in the 8 to 9-percent range. Therefore, 7 percent is considered a reasonable estimate at this time.

Question. Provide comments on your proposal not to codify a cost per square foot amount for permanent barracks construction.

Answer. The intention of our proposal is to permit treatment of permanent barracks construction projects in the same manner as all other projects with respect to cost control.

Over the years several types of projects have been the subject of statutory cost limitations. Among these have been permanent and temporary barracks, officers' quarters, warehouses, cold storage facilities and family housing. Now, only permanent barracks and officers' quarters are so limited. We find no reason that this type of project should be subjected to a special limitation not applied to other projects.

The problems involved in designing and building a permanent barracks facility are no different from those involved in other projects such as administrative facilities. Cost estimates are affected by unpredictable changes in the market place of both local and national nature, unforeseen subsurface and foundation conditions, strikes, weather, Acts of God, local utility and sewerage connection charge changes and similar factors. Each project should be presented to and considered by the Congress on the basis of the best cost estimate available. This is achieved by furnishing the Congres with the DD Form 1391 which describes the project in detail and which permits the Congress to consider all its aspects including scope, criteria and cost.

If authorized and funded by the Congress, a permanent barracks project should then be constrained by the authorized scope and limited in cost growth in precisely the same manner as any other project.

The benefits of such a change would be the reduction of administrative costs since all projects would be handled in a similar manner and the ability of the Congress to compare all types of projects on the same basis with respect to the accuracy of cost estimates.

CERTIFICATION FOR EXPEDITING CONSTRUCTION PROJECTS

Question. In the last 10 years, how many certifications has the Secretary of Defense made for expediting a construction project?

Answer. The Secretary of Defense has made two such certifications both for the Air Force. One project was at Arnold relative to the MX rocket test facility and the other was a Vandenburg relative to Titan facilities.

COST-PLUS-A-FIXED FEE CONTRACT APPROVALS

Question. In the last 10 years, how many Cost-plus-a-fixed-fee contracts has the Secretary of Defense approved?

Answer. The Secretary of Defense approved a cost-plus-a-fixed fee (CPFF) contract for the Air Force and two cost-plus-award fee (CPAF) contracts for the Navy within the United States. The Air Force project was located at Tonapah and is classified. The Navy projects were located at Norfolk and Pearl Harbor and relate to underground utilities.

A CPAF contract differs from a CPFF contract in that CPAF contract payment is based upon allowable costs, a specified minimum fee, and an incentive fee which is tied to performance; while CPFF contract payment is based upon allowable costs and a specified predetermined fee.

Question. (a) What relation does subsection (e) have with the relocation authority for military family housing units provided by Section 2828 of Subchapter II—Military Family Housing?

(b) How long has this item been included in annual military construction appropriations acts?

Answer. (a) For relocation projects, reprogramming approval must be obtained from the Appropriations Committees.

(b) Since the Military Construction Appropriation Act for fiscal year 1967 (Public Law 89–744).

Question. For the last 10 years, how many approvals has the Secretary of Defense given for the construction of a bakery, laundry or dry cleaning facility, respectively?

Answer. Over the last 10 years, no approvals have been given for bakery or dry-cleaning facilities. However, two laundry facilities were approved for Army during that period; one in fiscal year 1972 for the Walter Reed Medical Center ($2.58 million), and the other in fiscal year 1973 for Fort Lewis, Washington ($2.9 million).

Question. Are there other general and recurring sections of the annual military construction appropriations acts that should be codified?

Answer. No.

ANNUAL REPORT TO CONGRESS ON MILITARY CONSTRUCTION

Question. Provide for the record for fiscal year 1980 the following:

(a) percentage of authorization funded;

(b) percentage resulting in completed construction;

(c) comparison of cost of completed construction with authorized cost in percent;

(d) percentage completed;

(e) percentage still active;

(f) percentage not to be started;

(g) estimated cost for construction not started;

(h) list of cancelled projects with the reasons therefore;

(i) list of projects not started in the second fiscal year prior to the current fiscal year and earlier prior fiscal years with the reasons therefore; and

(j) the construction overhead rate used during the reported fiscal year.

Answer.

(a) 96.5 percent.

(b) 42.4 percent of the number of projects.

(c) 94.4 percent.

(d) 26.7 percent.

(e) 66.8 percent.

(f) 4.0 percent.

(g) $123.8 million.

(h) Fiscal year 1980 projects cancelled:

Fort Harrison—insulation/controls, $1.65 million. Won't amortize.

Fort Polk—airfield support facilities, $4.75 million. Reprogram fiscal year 1982.

McAlester AAP—contaminated waste incinerator, $0.65 million. Reprogram fiscal year 1981 technology.

Crane AAP—explosives waste incinerator, $0.81 million. Indiana will continue to permit open burning.

Letterkenny AD—ammunition inspection/test facility, $1.2 million. Reprogram fiscal year 1982.

Michigan AAP—boiler and heat controls, $2.55 million. Plant transferred to State.

Fort Benning—boiler and heat controls, $1.35 million. Reprogram fiscal year 1982.

Fort Benning—solar pond for hot water, $2.85 million. Will not meet ECIP payback criteria.

McAlester AAP—explosives waste incinerator, $0.80 million. Change in State air quality standards.

Corpus Christi—power training test facility, $1.65 million. Reprogram fiscal year 1982.

Lake City AAP—industrial waste and treatment facility, $3.80 million. Reprogram future year.

Germany—relocatable barracks, $4.319 million. Change in user requirement.

Volunteer—line drainage ditches $0.81 million. Scope not defined.

Red River—replace boilers, $8.6 million. Reprogram fiscal year 1982.

Lakehurst, NJ—steam and condensate lines $0.70 million. Does not meet ECIP criteria.

Al Ghardaqah, Egypt—biological laboratory, $0.03 million. No excess foreign currency available from State Department.

Meridian MS—energy monitoring and control system, $0.22 million. Does not meet ECIP criteria.

Whiting Field, FL—sanitary sewage collection system $0.31 million. Cost increase beyond SLMM limits.

New London CT—insulation and storm windows, $0.25 million. Does not meet ECIF criteria.

Cannon—flight simulator, $2.1 million Mission change.

Cannon—alter aircraft maintenance facility, $1.0 million. Mission change.

Cannon—munitions maintenance and storage facility, $1.05 million. Mission change.

Homestead—flight simulator, $2.0 million. Mission change.

Homestead—various aircraft maintenance facility, $1.0 million. Mission change.

Homestead—supply center for maintenance support, $0.56 million. Mission change.

(i) Fiscal year 1978 and earlier MILCON projects not started:

(1978 MILCON) NSY Long Beach, CA—municipal pier connection $2.1 million. Negotiation with community produced no results due to inadequate service and excessive cost. Award indefinite.

(1976 MILCON) NAS Brunswick, ME—regional solid waste disposal $0.1 million. Awaiting community decision and action on landfield. Award indefinite.

(1976 MILCON) NOS Indian Head, MD—missile propulsion unit reclamation, $2.473 million. State of Art design was excessive in cost. If problems resolved project will be awarded January 1983.

(1977 MILCON) Rickenbacker—sewer treatment disposal, $0.503 million Misson change delayed project.

(1977 MILCON) Malstrom—regional sewer connection, $1.739 million. Delay of city project tie-in.

(j) CONUS, 4.4 to 6.5 percent depending upon service. Overseas, 5.5 to 6.5 percent depending upon service. MFH, 3.5 percent.

Question. An examination of the annual report on minor construction for fiscal year 1981 shows that 77 percent of the dollars for projects are funded from Operations and Maintenance funds. What are the comparable percentages for the use of Operations and Maintenance funding and the use of Military Construction funding for minor construction for fiscal years 1976 through 1980?

Answer. The comparable percentages for the use of operations and maintenance funds is 56 percent for fiscal year 1976, 64 percent for fiscal years 1977 and 1978, 63 percent for fiscal year 1979, and 66 percent for fiscal year 1980.

The proposed response is based on the data shown below:

[Dollars in millions]

	Construction funds	O. & M. funds	Total	Percent of O. &. F. funds
Fiscal year:				
1976	79.4	102.6	182.0	56
1977	71.6	128.9	200.4	64
1978	75.8	132.8	208.6	64
1979	96.8	164.1	260.9	63
1980	104.4	204.6	309.0	66
1981	84.0	282.9	366.9	77

Question. (a) Provide for the record for fiscal year 1981, by military department/defense agency, the identity of the 5 installations with the largest obligations for minor construction using Operations and Maintenance funds and the 5 installations with the largest obligations for minor construction using Military Construction funds.

(b) Break down these obligations for each installation by operational, training, maintenance and production, research and development, supply, medical, administrative, bachelor housing, community facilities and ultilities.

(c) For the 10 installations identified, compute the percent their minor construction obligations using Operations and Maintenance funds are of the total Operations and Maintenance obligations for minor construction and compute the percent their Military Construction funds obligated for minor construction.

Answer. (a) The answer to section (a) of the foregoing question is as follows:

The five Defense Agency installations with the largest fiscal year 1981 obligation for minor construction using Military Construction funds are as follows:

1. Defense Mapping Agency Hydrographic/Topographic Center, Maryland;
2. Defense Mapping Agency Aerospace Center, Missouri;
3. National Security Agency Fort Meade, Maryland;
4. Defense Electronics Supply Center, Ohio;
5. Defense Property Disposal Office, Hawthorne, Nevada.

For Air Force:

1. Nellis AFB, Nevada;
2. Elemendorf AFB, Alaska;
3. Eglin AFB, Florida;
4. Robins AFB, Georgia;
5. Osan AFS, Korea.

For Navy:

1. Naval Air Station, North Island, California;
2. Elmendorf AFB, Alaska;
3. Elgin AFB, Florida;
4. NCSC Panama City, Florida;
5. Naval Air Station, Key West, Florida.

For Army:

1. Schofield Barracks, Hawaii;
2. Fort Stewart, Georgia;
3. Fort Benning, Georgia;
4. Redstone Arsenal, Alabama;
5. Fort Myer, Virginia.

The five installations having the largest obligations for minor construction using O&M appropriations are as follows:

For Defense Agencies:

1. Defense General Supply Center, Virginia;
2. Defense Property Disposal Service, Michigan;
3. National Security Agency, Fort Meade, Maryland;
4. Defense Administrative Support Center, Virginia;
5. Defense Depot Memphis, Tennessee.

For Air Force:

1. Langley AFB, Virginia;
2. Patrick AFB, Florida;

3. Tinker AFB, Oklahoma;
4. McClellan AFB, California;
5. Wright-Patterson AFB, Ohio.

For Navy:
1. Naval Air Station Sigonella, Italy;
2. Marine Corps Base Camp Butler, Okinawa, Japan;
3. U.S. Naval Academy, Annapolis, Maryland.
4. Submarine Base New London, Connecticut;
5. Naval Air Engineering Center Lakehurst, New Jersey.

For Army:
1. Grafenwohr, Germany.
2. Fort Huachuca, Arizona;
3. Army Communications Command, Youngsan, Korea;
4. Baumholder, Germany.
5. Wurtzburg, Germany.

(b) The breakout of total obligations for minor construction by construction categories is as follows:

	Amount (thousands)
For Defense Agencies:	
For military construction funds:	
Defense Mapping Agency, Hydrographic/Topographic Center, Md.: Operational	$1,051
Defense Mapping Agency, Aerospace Center, Md.: Operational	472
National Security Agency, Fort George G. Meade, Md.: Utilities	500
Defense Electronic Supply Center, Ohio: Utilities	730
Defense Property Disposal Office, Hawthorne, Nev.: Supply	390
For operational and maintenance:	
Defense General Supply Center, Va.: Supply	1,142
Defense Property Disposal Service, Mich.: Supply	1,140
National Security Agency, Fort George G. Meade, Md.: Operational	516
Defense Administrative Support Center, Va.: Supply	344
Defense Depot, Memphis, Tenn.: Supply	315
For Air Force:	
For military construction funds:	
Nellis AFB, Nev.:	
Operations	270
Maintenance and production	450
Utilities	460
Elmendorf AFB, Alaska:	
Operational	498
Maintenance and production	500
Eglin AFB, Fla.:	
Medical	473
Administrative	408
Maintenance and production	105
Robins AFB, Ga.: Maintenance and production	977
Osan AB, Korea:	
Training	295
Maintenance and production	290
Operational	278

Listed below are 5 installations with the largest obligations for minor construction using operational and maintenance funds. The obligations for each installation are broken down by facility category. After each installation name is its percentage of the total operational and maintenance obligations for minor construction:

Langley AFB, Va. (2 percent):	
Training	10
Maintenance and production	352
Supply	251
Medical	277
Administrative	629
Community facilities	176
Utilities	302
Roads and streets and railroads	377
Other	141

Patrick AFB, Fla. (1.9 percent):	
Operational	516
Maintenance and production	282
Supply	352
Medical	70
Administrative	188
Bachelor housing	235
Community facilities	258
Utilities	352
Roads and streets and railroads	47
Other	47
Tinker AFB, Okla. (3 percent):	
Operational	407
Training	37
Maintenance and production	778
Supply	296
Medical	111
Administrative	259
Bachelor housing	555
Community facilities	333
Utilities	667
Roads and streets and railroads	148
Other	111
McClellan AFB, Calif. (1.5 percent):	
Operational	75
Training	38
Maintenance and production	264
Supply	283
Medical	38
Administrative	188
Bachelor housing	113
Community facilities	301
Utilities	320
Roads and streets and railroads	151
Other	113
Wright Patterson AFB, Ohio (3.4 percent):	
Operational	297
Training	212
Maintenance and production	255
Research and development	170
Supply	382
Medical	85
Administrative	467
Bachelor housing	255
Community facilities	764
Utilities	721
Roads and streets and railroads	382
Other	255
For Navy:	
Obligations for military construction:	
Naval Air Station, North Island, Calif.:	
Operation	118
Training	855
Maintenance and production	259
Marine Corps Base, Camp Pendleton, Calif.: Utilities and ground structures	637
Naval Station, San Diego, Calif.: Research and development	581
NCSC Panama City, Fla.: Research and development	528
Naval Air Station, Key West, Fla.:	
Operational	348
Training	177

Obligation for operations and maintenance:	
Naval Air Station, Sigonella, Italy:	
Unable to provide breakdown at this time. Information will be provided for the record.	
Marine Corps Base, Camp Butler, Okinawa, Japan:	
Operational	305
Training	13
Maintenance and production	71
Supply	73
Medical	47
Administrative	189
Bachelor housing	165
Community facilities	135
Utilities and ground structures	171
U.S. Naval Academy, Md.:	
Operational	2
Training	265
Maintenance and production	119
Supply	71
Medical	2
Administrative	318
Bachelor housing	87
Community facilities	168
Utilities and ground structures	86
Submarine Base, New London, Conn.:	
Operational	*$
Maintenance and production	72
Supply	142
Administrative	49
Bachelor housing	182
Community facilities	256
Utilities and ground structures	316
Naval Air Engineering Center, Lakehurst, N.J.:	
Operational	8
Maintenance and production	2
Research and development	244
Supply	64
Administrative	30
Bachelor Housing	12
Community facilities	19
Utilities and ground structures	616
For Army:	
For military construction:	
Schofield Barracks, Hawaii:	
Training	724
Utilities	424
Fort Stewart, Ga.:	
Operational	754
Administrative	330
Fort Benning, Ga.:	
Training	490
Utilities	484
Redstone Arsenal, Ala.:	
Operational	343
Maintenance and production	428
Utilities	698
Fort Myer, Va.:	
Maintenance and production	381
Bachelor housing	549
Utilities	201

For operations and maintenance:

Grafenwohr, USAREUR:	
Operational	190
Training	761
Maintenance and production	571
Supply	1, 015
Administrative	571
Bachelor housing	508
Community facilities	1, 776
Utilities	952
Fort Huachuca, Ariz.:	
Operational	488
Training	392
Maintenance and production	37
Research and development	37
Supply	123
Medical	100
Administrative	457
Bachelor	71
Community facilities	482
Utilities	168
Yongsan, Korea:	
Operational	266
Training	52
Maintenance and production	24
Supply	27
Medical	5
Administrative	169
Bachelor housing	952
Community facilities	368
Utilities	476
Baumholder, Germany:	
Operational	113
Training	113
Maintenance and production	110
Supply	78
Medical	50
Administrative	68
Bachelor housing	812
Community facilities	621
Utilities	28
Wurtzburg, Germany:	
Operational	361
Maintenance and production	150
Supply	261
Medical	11
Administrative	147
Bachelor housing	38
Community facilities	645
Utilities	113

(c) The following chart provides the percent of the total Defense Agency minor program obligated by the 10 installations obligating the most funds in fiscal year 1981.

Installation	Percent of O. & M.	Percent of Milcon
O. & M.		
1. Defense General Supply Center, Virginia	19.0	0
2. Defense Property Disposal Service, Michigan	19.0	0
3. National Security Agency, Fort Meade, Md	8.7	9.4
4. Defense Administrative Support Center, Virginia	5.8	0
5. Defense Depot Memphis, Tenn	5.3	0
MILCON		
6. Defense Mapping Agency Hydrographic/Topographic Center, Michigan	4.4	10.4
7. Defense Mapping Agency Aerospace Center, Missouri	3.0	10.3
8. National Security Agency, Fort Meade, Md	8.7	9.4
9. Defense Electronic Supply Center, Ohio	5.3	7.2
10. Defense Property Disposal Office, Hawthorne, Nev	0	3.9

	Percent
For Air Force:	
For military construction only:	
Nellis AFB, Nev	5.0
Elmendorf AFB, Alaska	4.0
Eglin AFB, Fla	4.0
Robins AFB, Ga	4.0
Osan, Korea	4.0
For O. & M. only:	
Langley AFB, Va	2.0
Patrick AFB, Fla	1.9
Tinker AFB, Okla	3.0
McClellan AFB, Calif	1.5
Wright Patterson AFB, Ohio	3.4
For Navy:	
For military construction:	
Naval Air Station, North Island, Calif	9.6
Marine Corps Base, Camp Pendleton, Calif	5.0
Naval Station San Diego, Calif	4.5
NCSC Panama City, Fla	4.1
Naval Air Station Key West, Fla	4.1
For O. & M.:	
Naval Air Station Sigonella, Italy	1.9
Marine Corps Base, Camp Butler, Okinawa, Japan	1.6
U.S. Naval Academy, Md	1.5
Submarine Base New London, Conn	1.5
Naval Air Engineering Center Lakehurst, N.J	1.3
For Army:	
For military construction:	
Schofield Barracks, Hawaii	3.6
Fort Stewart, Ga	3.4
Fort Benning, Ga	3.1
Redstone Arsenal, Ala	4.6
Fort Myer, Va	3.6
For operations and maintenance:	
Grafenwohr, USAREUR	6.2
Fort Huachuca, Ariz. (ACC)	2.3
Yongsan, Korea	2.3
Baumholder, USAREUR	2.0
Wurtzburg, USAREUR	1.7

Question. (a) How many installations are listed in the fiscal year 1981 Minor Construction Report with both Operations and Maintenance and Military obligations for minor construction?

(b) How many are listed with only Operations and Maintenance of Military Construction obligations for minor construction?

(c) How many installations on each category of funding would have to be listed to equal 80 and 90 percent of obligations respectively?

Answer. A review of the minor construction report for fiscal year 1981 indicates that for the Military Departments and Defense Agencies, there were 215 installations with both Operations and Maintenance and Military Construction obligations. There were 694 installations listed with only Operations and Maintenance obligations and 45 installations with only Military Construction obligations.

Finally, of the total for Operations and Maintenance for the Military Departments and Defense Agencies, there would have to be 462 installations listed to equal 80 percent of the total and 592 installations to equal 90 percent of the total. Similarly, for Military Construction, there would have to be 147 installations listed to equal 80 percent of the total and 180 installations to equal 90 percent of the total.

Question. How many projects have been constructed over the last 5 years with designated fallout shelter space?

Answer. The process of identifying, marking and stocking of fallout shelter space has not been in use for several years. Our designs do, however, attempt to optimize fallout protection in appropriate buildings. Since fallout shelter space is no longer specifically identified and inventoried, we are unable to provide the Committee with the amount of space that has been constructed. None has been specifically designated as fallout shelter.

DELEGATION OF AUTHORITY

Question. The DOD draft of the codification bill proposed a delegation of authority. Why is a delegation of authority section needed?

Answer. When the Department of Defense draft codification was prepared and submitted in October 1979, the Secretary of Defense was the primary recipient of a considerable number of the authorizations granted within the sections of the codification. At that time it was considered prudent and appropriate to provide a delegation of authority section which would permit the Secretary of Defense, and in some cases the Secretaries of the military departments to delegate selected decision and approval authorities downward where such delegations would result in more efficient implementation of the authorization granted.

Under current management and administrative policies within the Department of Defense, a considerable number of such delegations of authority and responsibility have already taken place and more may be undertaken in the future. In light of these facts, and that our recommendations concerning the wording of H.R. 5241 and S. 1990, include broad language which makes clear that the authorities granted to a "Secretary" include the Secretary of Defense, the Secretaries of the military departments and Directors of the defense agencies concerned if appropriate, we no longer believe that a separate section on delegation of authority is required.

Question. Do you have any comments on this section?

Answer. We believe the amendments proposed in the fiscal year 1983 Military Construction Bill will provide considerable dollars savings each year by eliminating administrative burdens and allowing early execution of projects.

Question. In your draft of the fiscal year 1983 Military Construction Authorization bill, some revisions to Section 2233a(1) of Title 10 United States Code were proposed. Of the four changes proposed, the significant change would add an additional exception subsection. What is the magnitude of the administrative burden being relieved by this exception subsection?

Answer. The magnitude of the administrative burden will depend upon the ultimate content of the reports still to be required. Should the reports suffice for reprogramming purposes, the manpower savings could run as high as 800 manhours per year, not including that required to process and review the reports in the Congress. About 20 to 25 reports are made to the Congress each year. Eighty copies of these reports are provided to the Armed Services Committees.

Question. What are the conditions for and the provisos of the exception requested?

Answer. The purpose of the notification is to inform the Congress of our intent to construct a specific facility. During the past few years, the Congress has stressed the need for the Guard and Reserve to follow through on the construction of those facilities which are listed to support the annual lump sum authorization and appropriation. Since 1979 we have provided a separate report to the Appropriations Committee whenever we have deviated from the original plan. Actions have been taken which now minimize these deviations. For example, projects are placed under design much earlier so that early fiscal year awards are possible, and care is taken to ensure that programming and execution plans are consistent. Therefore, we are now in a position to let the original program list serve as our notification that we intend to construct these facilities. Subsequent reports serve to notify the Congress only of the changes in our plans.

REQUIREMENT FOR CERTAIN NEW ANNUAL AUTHORIZATIONS OF APPROPRIATIONS RELATING TO MILITARY CONSTRUCTION

Question. Do you have any comments on this section?

Answer. Our comments with respect to this section of the codification involve only suggestions for rewording some lines to simplify and shorten its text. We would recommend striking out on lines 7 and 8 reference to section 2808 which is intended to except Advance Planning from the requirement for annual authorization in this section, and similarly insert the section numbers for 2808 and 2821 on lines 12 and 13 to clearly reflect the fact that these functions (advance planning and construction of family housing) are separately treated in their respective sections which in each case provide for annual authorization.

REPEALER

Question. Provide for the record the reasons for declaring obsolete the sections that follow:

Section 2678. Acquisition of mortgaged housing units.

Section 2681. Construction or acquisition of family housing and community facilities in foreign countries.

Restrictions of Sections 4774 and 9774 of Title 10 United States Code: requiring notification and authorization for military construction and family housing over $100,000.

Section 103 of Public Law 85–241 authorizing the Secretary of the Army to purchase up to 300 family housing units out of appropriations available for military construction family housing.

Section 420 of Public Law 86–149 establishing procedures for use of foreign currencies.

Section 503 of Public Law 87–554 authorizing the Secretary of the Army to purchase up to 300 units of family housing from appropirations available for military construction family housing.

Section 507 of Public Law 88–174 establishing rental guaranty program for housing in foreign countries.

Section 507 of Public Law 89–188 establishing requirements for the incorporation of facilities for obstetrical care in a hospital.

Section 807 of Public Law 90–408 establishing procedures for waste disposal systems construction.

Section 509 of Public Law 93–552 restricting air conditioning of military family housing units in Hawaii.

Answer. The data required is rather voluminous in its references and citations, however, we will be pleased to furnish it for the record.

SAVINGS PROVISIONS

Question. What is remaining term of the requirement for a savings provision for section 7(a), Payments to Commodity Credit Corporation and section 7(b), Guaranteeing rental returns to builders of family housing in foreign countries?

Answer. The term is indefinite since payments to the Commodity Credit Corporation are insignificant relative to the oustanding debt, and existing rental guarantee contracts might or might not be renewed depending upon individual circumstances at the time the decision must be made.

CONTRACTS FOR ENERGY OR FUEL FOR MILITARY INSTALLATIONS

Question. The DOD draft of the fiscal year 1983 Military Construction bill proposes a new section for this provision. Compare the sections and provide explanations for the changes.

Answer. The DOD draft of the fiscal year 1983 Military Construction bill and the DOD draft revision to the Military Construction Codification Bill, S–1990, simply encorporate the geothermal development authorization of the fiscal year 1982 Military Construction Act, Public Law 97–99, into an expanded section covering contracts for energy or fuel for military installations. The additional authorization to be granted by this section would allow the Services and Defense Agencies to enter into long-term contracts (not to exceed 30 years) for the provision of energy and the provision and operation of energy production facilities. This expanded contract term would serve as a major incentive to private developers to invest in alternative energy forms to serve military installations needs. These alternatives, such as refuse derived fuel or coal gasification, would replace petroleum products at no capital cost to DOD.

Question. How effective is this program?

Answer. The Defense source separation and resource recovery program has been successful in that we have increased significantly the amounts of material which previously were disposed but now are recycled. This is substantiated by the fact that there are currently 248 installations with recycling programs. These programs concentrate on high-grade paper, computer cards, cardboard, newspaper, and aluminum. The sustained success of each of these programs, however, is dependent upon available resources to operate the program and local market conditions, which fluctuate considerably. Despite these encumbrances, we believe that we have achieved our main goal of this program which is the reduction of waste material for disposal and the resultant conservation of resources.

Question. How much was obligated in fiscal year 1980 for energy conservation projects using this authority?

Answer. In fiscal year 1980, a total of $308,050 was spent on energy conservation or environmental protection projects using this authority.

Question. How much was returned to the Treasury as miscellaneous receipts?

Answer. $108,915 was returned to the Treasury in fiscal year 1980.

Question. Provide for the record, justification for raising the amount for expenditure on energy conservation projects from $50,000 to $200,000 as proposed by the DOD draft of the fiscal year 1983 Military Construction Authorization bill.

Answer. Increasing the annual limitation of expenditure of funds from $50,000 to $200,000 per installation is necessary to accommodate increased costs for equipment and construction of energy conservation and environmental protection projects. This situation is further complicated in that it is not always possible to obligate these funds in the same fiscal year that they are generated. This occurs primarily when materials are sold and the funds are returned to the generating activity late in the fiscal year, thus leaving little or no opportunity to use the funds at the activity level. Increasing the dollar limitation and extending the time for obligations, therefore, would serve to increase in installation's incentive to initiate recycling programs where none now exist, as well as to expand existing programs. All of this is necessary to sustain and hopefully improve our efforts in resource conservation.

DEVELOPMENT OF GEOTHERMAL ENERGY ON MILITARY LANDS

Question Do you have any comments on this section?

Answer. Yes. In reviewing the section on development of geothermal energy, we noted that this section, because of the nature of its subject; i.e., energy, could very logically be considered for inclusion in a single section, which would treat the development of geothermal energy resources in the same section which governs "Contracts for energy or fuel for military installations".

Accordingly, we recommend that section 2442 "Contracts for energy or fuel for military installations" be merged with section 2689, "Development of geothermal energy on military lands" in a single section numbered 2689 and titled "Contracts for energy or fuel for military installations." The resultant single section if structured along the lines of our recommendation would adequately include and reflect Congressional policy guidance as well as the necessary safeguards and limitations in this vital area of providing the most cost effective energy sources to military installations.

LIMITATION ON NEW BOILER PLANT CONSTRUCTION

Question. Do you have any comments on this section?

Answer. In reviewing this section we have determined that certain provisions of the Military Construction Authorization Acts of 1978 and 1979 should be repealed in order to avoid conflict with the codification of section 2690 as now proposed. These are section 613 of the fiscal year 1978 Act (Public Law 95–82) and section 803 of the fiscal year 1979 Act (Public Law 95–356).

EFFECTIVE DATE

Question. (a) By draft of the fiscal year 1983 Military Construction Authorization bill, you are proposing to codify or amend provisions that are permanent law. Should portions of the codification bill take effect on October 1, 1982 and other portions take effect on October 1, 1983?

(b) If answer is the affirmative, what sections by subchapter do you recommend for each date?

Answer. (a) Yes.

(b) We believe that all sections of subchapters I, II, and III of the proposed codification, with the exception of section 2859 "Annual report to Congress on military construction.", should become effective on October 1, 1982. The section relating to the annual report should be deferred to October 1, 1983 so that the military services can make the necessary revisions to their reporting procedures and timing cycles and the ancillary reprogramming of their computer based project and function report systems.

Question. Do you recommend any retroactive provisions under the effective date.

Answer. No. We do not recommend any provisions of S. 1990 be made retroactive to an earlier date than the October 1, 1982 date presently envisaged. As we stated earlier however, we do believe that Section 2859 "Annual Report to Congress on Military Construction" be deferred for implementation to October 1, 1983. This will permit the engineering services of the military departments to make the necessary adjustments to their reporting cycles and computer programs to fully report the information requested.

MODEL FOR THE ANNUAL MILITARY CONSTRUCTION AUTHORIZATION ACT AFTER THE CODIFICATION BILL IS ENACTED

Question. Provide for the record your comments in the model bill.

Answer. Generally we are in accord with the more simplified structure of the annual bill as drafted. However, we believe that Title V Military Family Housing and Homeowners Assistance Program should be eliminated in its present separate title format, and re-established in the individual military department titles. This would reflect the recent decision to devolve to the Secretaries of the Military Departments all responsibilities for family housing management.

Specifically we would recommend the model bill be changed as follows:

1. Move the wording now contained in Sections 501, 502 and 503 to new Sections 103, 104 and 105 for the Army, with a parallel restructuring for the Navy, Air Force and Defense Agencies; delete all of Title V.
2. Retitle Titles VI, VII and VIII as Titles V, VI and VII respectively, and adjust references thereto accordingly.
3. Move the wording now contained in Sections 602(1) and 602(2) to new Sections 601(1)(F) and 601(1)(G) for the Army, with a parallel restructuring for the Navy, Air Force and Defense Agencies; redesignate present Section 602(3) as 602(1).
4. Change Section 603(b), line 6 to read ". . . carried out under Titles I, II, III and IV of this Act . . .".
5. Change Section 603(b), line 8 to read ". . . 601(1)(F), 601(2)(F), 601(3)(F) and 601(4)(F) to be appropriated for that title."

RAPID DEPLOYMENT FORCE (RDF) CONSTRUCTION

Senator THURMOND. Last year you provided the committee with a comprehensive estimate, by country and by year, of the total plan for RDF construction. I would like you to update that estimate and explain any increases that have occurred. You can provide details for the record, but I would like you to summarize the total cost and general nature of any increases.

Mr. FARBROTHER. Senator, I will provide all of the details for the record.

[The information follows:]

The following table compares construction estimates provided during April 1981 hearings to current estimates, as of May 1, 1982, to complete known military construction requirements in Southwest Asia:

Country	1981 hearings		Current estimate			
	Program years	Cost	Program years	Cost	Program program	Cost
Oman	1982–83	$123.3	1982–83	$141.73	1982–85	[Delete]
Kenya	1982–83	48.0	1982–83	38.80	1982–84	
Somalia	1983	24.0	1982	24.00	1982–84	
Egypt	1982–84	[Delete]	1982–84	[Delete]	1982–85	
Diego Garcia	1982–84	[Delete]	1982–84	[Delete]	1983–85	
Azores	1982–83	133.6	1983–83	102.27	1982–83	$102.27
Total		[Delete]		[Delete]		[Delete]

When current estimates are compared to those outlined in the fiscal year 1981 Hearings, there is a slight decrease over the same programming period. The estimate to complete the total SWA program has increased by the addition of requirements, primarily in the 1984 and fiscal year 1985 programs, which were not developed at the time of last year's hearings. Specifically, the estimate to complete the contingency base development in Oman has increased in fiscal year 1984 and fiscal year 1985 as requirements were identified to provide [delete]. In Somalia, construction of the quay using U.S. materials required redesign and increased the program in fiscal year 1983 [delete]. At Ras Banas, Egypt, the program estimate has increased primarily due to identification of additional fuel storage requirements ($20 million) and based on design being completed.

Mr. FARBROTHER. The initial comprehensive plan that we provided to Congress in early 1981 outlined the overall program estimated to cost about $1.4 billion. The current estimates are approximately $1.7 billion. The increase is due primarily to the addition of strategic projection force requirements, additional utilities, and pre-positioning requirements, better estimates from bids experienced in Oman and inclusion of some previously unprogramed requirements in Diego Garcia.

MASTER RESTATIONING PROGRAM (MRP)

Senator THURMOND. I have a few questions on the master restationing program.

You mentioned the progress that you have made with the Germans in getting them to fund facility costs associated with the MRP. Please review where you stand on this effort.

Mr. FARBROTHER. The negotiations with Germany, I think, in this area started some 5 or 6 years ago when we and the Germans decided it would be good to have Army forces in northern Germany. After some serious and troublesome negotiations, the Germans agreed and built for us a brand new kaserne in northern Germany.

Several years later, again the Germans and we agreed to restation some of our forces forward to the Soviet border, the eastern border. At that time we suggested again for the Germans that they follow that same model and build the facilities for us. Their reaction then was, under the status of forces agreements, that it is our concern to support our forces, it was not their role to provide that kind of facility.

Since that time we have had a number of meetings with the Germans and their position has changed from one where they said it was our problem to solve to one where they are saying that they do agree that it is a bilateral problem that they have an important role in.

We met last month. The official delegates from Germany came here to the United States and met with our delegates and signed an agreement, a charter, which I will insert in the record if you will allow me.

Senator THURMOND. Without objection, that will be done.

[The information follows:]

AGREEMENT ON THE MASTER RESTATIONING PLAN

The delegation from the United States of America and from the Federal Republic of Germany agree this day. March 18, 1982, to begin, in the framework of existing agreements, to work toward the resolution of the problems connected with the restationing of United States Army units in the Federal Republic.

To this end, a group of experts, consisting of no more than six permanent members of either side will be appointed and will meet within forty-five (45) days of this agreement. The group shall be called the Joint Committee on Experts. It shall generally be convened in the Receiving State, but by common agreement, may meet in the Sending State.

The task of the Joint Committee of Experts is to identify the problems connected with restationing, points of agreement and disagreement. The issues of disagreement are to be studied jointly, in order to develop proposals for alternative solutions which are to be presented as soon as possible to the competent bodies of both Governments for their consideration.

RICHARD N. PERLE,
(For the Delegation from the United States of America).
HUGO SODDEMANN,
(For the Delegation from the Federal Republic of Germany).

Mr. FARBROTHER. They are now meeting in Germany, a committee of experts from each side, to work out all of the details, all of the problems and solutions to those problems so that we can proceed. I believe the Germans are being very helpful and very cooperative in this effort now.

Senator THURMOND. Last year the conference committee on this construction bill agreed to authorize certain facilities in Vilseck, Germany, subject to satisfactory progress in negotiations.

You have advised the committee that you think progress has been satisfactory and that you intend to proceed with the construction.

Will you furnish the committee with a list of the construction projects that you have asked the Germans to pay for? This list totals over $400 million.

In addition, there is a requirement for family housing at these three locations that would cost $1 billion which the United States would lease back from the Germans at $30 million per year. I would like you to include in the record at this point the details of what we have asked the Germans to provide.

Mr. FARBROTHER. I will be glad to.

[The information follows:]

FACILITIES REQUIREMENTS

Description	Requirement		Estimated cost (millions)
South Camp Vilseck:			
Aircraft parking	26,145	SY	$1.778
Company administration and supply	223,680	SF	26.842
Battalion administration and classroom	140,000	SF	16.800
Aircraft maintenance facility	22.890	SF	2.747
Maintenance facilities and hardstand (lump sum)			84.501
Administration	10,000	SF	1.100
Bachelor housing, enlisted men	4,099	SP	*69.683
Dining facility (2 each, 1,000-man)	35,600	SF	8.330
Bachelor officers quarters	77	SP	2.079
Health and dental clinic	27,870	SF	4.320
Field house	50,000	SF	6.550
Communications center building	3,650	SF	.361
Noncommissioned officer/enlisted man club	45,696	SF	3.884
Officers club	9,577	SF	.814
Main post office	8,250	SF	.990
Theater (1 each 1,000 seats)	17,200	SF	1.600
Post office lock box area	3,300	SF	.396
Service club	55,600	SF	4.726
Signal photographic laboratory	20,000	SF	1.500
Training aids building	10,348	SF	.776
Cold storage warehouse	7,500	SF	1.200
General purpose warehouse	37,669	SF	1.017
Administration building	66,094	SF	7.931
Exchange administration	1,800	SF	.216
Bank	5,560	SF	.667
Bowling center (20 lanes)	19,500	SF	2.223
Chapel (1,830 seats)	42,090	SF	6.314
Regional education building	16,465	SF	1.679
Commissary	40,700	SF	4.965
Automotive skill development	7,305	SF	.804
General education development	19,800	SF	2.020
Main library	12,000	SF	1.224

FACILITIES REQUIREMENTS

Description	Requirement		Estimated cost (millions)
Exchange automotive service station	3,711	SF	.408
Post exchange building	27,000	SF	2,565
Special services building	12,680	SF	1.255
Handball court (lump sum)			1.572
Tennis court (lump sum)			.893
Softball field (lump sum)			2.800
Sports field (lump sum)			1.940
Drama center	14,000	SF	1.302
Music center	14,000	SF	1.302
Automotive service center	2,100	SF	.231
Laundry and drycleaning concession	13,100	SF	1.235
Automotive parts storage	5,800	SF	.551
Foodland	3,000	SF	.285
Army and Air Force Exchange Service (AAFES) maintenance shop	1,500	SF	.165
Service outlets (AAFES)	18,590	SF	1.766
Child care center	14,000	SF	1.386
Guest house	16,600	SF	1.710
Total cost			291.403
Contingency (at 20 percent)			58.280
Utilities (at 15 percent)			43.710
Site preparation (at 10 percent) (includes demolition costs)			29.140
Total cost with contingency, utilities, site preparation			422.533
Wildflecken:			
Aircraft parking	26,145	SY	1.778
Company administration and supply	135,140	SF	16.217
Battalion administration and classroom	84,000	SF	10.080
Aircraft maintenance facility	22,890	SF	2.747
Maintenance facilities and hardstand (lump sum)		--	61.691
Administration	10,000	SF	1.100
Bachelor housing, enlisted men	3,261	SF	55.437
Dining facility (2 each, 700-man)	27,800	SF	6.505
Bachelor officers quarters	63	SP	1.701
Health and dental clinic	45,226	SF	7.010
Field house	50,000	SF	6.550
Communications center building	2,500	SF	.248
Officers club	6,870	SF	.584
Theater (1 each 500 seats)	10,900	SF	1.014
Service club	55,600	SF	4.726
Signal photographic laboratory	17,000	SF	1.275
Training aids building	20,000	SF	1.500
Cold storage warehouse	7,500	SF	1.200
Exchange administration	1,450	SF	.174
Bank	4,750	SF	.570
Bowling center (12 lanes)	12,200	SF	1.391
Chapel (1,480 seats)	34,040	SF	5.106
Regional education building	14,775	SF	1.507
Commissary	64,000	SF	7.808
Skill development center	9,400	SF	11.280
Automotive skill development	10,000	SF	1.100
Main library	12,000	SF	1.224
Exchange automotive service station	3,250	SF	.358
Special services building	10,180	SF	1.008
Handball court (lump sum)		--	1.258
Basketball court (lump sum)		--	.151
Tennis court (lump sum)		--	.670
Softball field (lump sum)		--	1.600
Sports field, running track (lump sum)		--	1.940
Baseball field (lump sum)		--	.200
Drama center	14,000	SF	1.302
Music center	14,000	SF	1.302
Automotive service center	2,100	SF	.231
Laundry and drycleaning concession	13,800	SF	1.311
Auto parts store	5,800	SF	.551
Foodland	3,000	SF	.285
Army and Air Force Exchange Service (AAFES) maintenance shop	1,500	SF	.165
Service outlets (AAFES)	18,590	SF	1.766
Child care center	14,000	SF	1.386
Guest house	10,400	SF	1.072
Total cost			228.079
Contingency (at 20 percent)			45.616
Utilities (at 15 percent)			34.212
Site preparation (at 20 percent)			45.616
Total cost with contingency, utilities, site preparation			353.523

FACILITIES REQUIREMENTS

Description	Requirement		Estimated cost (millions)
Giessen:			
Company administration and supply	167,760	SF	20.132
Battalion administration and classroom	112,000	SF	13.440
Maintenance facilities and hardstand (lump sum)			87.799
Administration	10,000	SF	1.100
Bachelor housing, enlisted men	3,230	SP	54.910
Dinning facility (2 each, 660-man)	27,800	SF	6.505
Bachelor officers quarters	70	SP	1.890
Health and dental clinic			
Field house	62,000	SF	8.122
Noncommissioned officer/enlisted man club	32,141	SF	2.732
Main post office	9,687	SF	1.162
Theater (1 each 1,000; 350, 500 seats)	34,600	SF	3.218
Post office lock box areas	3,300	SF	.396
Service club	55,600	SF	4.725
Signal photographic laboratory	25,000	SF	1.876
Training aids building	32,000	SF	2.400
Cold storage warehouse	14,300	SF	2.288
Bank	9,999	SF	1.200
Bowling center, 6 lanes	6,300	SF	.718
Chapel (2,336 seats)	53,728	SF	8.060
Regional education building	30,263	SF	3.087
Commissary	97,000	SF	10.614
Skill development center	24,400	SF	2.928
Automotive skill development			
General education development	15,230	SF	1.553
Branch library	4,143	SF	.423
Main library	20,388	SF	2.080
Exchange automotive service station	2,664	SF	.293
Post exchange building	2,295	SF	.218
Handball court (lump sum)			1.258
Tennis court (lump sum)			.744
Softball field (lump sum)			1.000
Football			
Running track (1 each)			.940
Drama center	14,000	SF	1.302
Music center	14,000	SF	1.302
Automotive service center	2,100	SF	.231
Laundry and drycleaning concession	13,000	SF	1.235
Automotive parts storage	5,800	SF	.551
Foodland	3,000	SF	.285
Army and Air Force Exchange Service (AAFES) maintenance shop	1,500	SF	.165
Service outlets (AAFES)	18,590	SF	1.766
Child care center	14,000	SF	1.330
Guest house	13,300	SF	1.370
Exchange cafeteria	16,800	SF	2.856
Total cost			260.204
Contingency (at 20 percent)			52.040
Utilities (at 15 percent)			39.130
Site preparation (at 10 percent)			26.020
Total cost with contingency, utilities, site preparation			377.294

FAMILY HOUSING REQUIREMENTS

[Dollar amounts in millions]

	Units	Construction cost	Annual lease cost
Vilseck	2,700	$375,167	$12,811
Wildflecken	1,800	269,368	8,306
Giessen	1,900	293,132	8,708
Total	6,400	937,667	29,825

SUPPORT FOR BASE OPERATIONS AT THE THREE SITES—FUNCTIONS DESIRED

Facilities operations and maintenance (not including leased family housing maintenance).

Installation transportation service.

Installation physical security.

Dining facility attendants (kitchen police only).

Laundry/dry cleaning service.

Installation maintenance activity service (transportation motor pool).

Senator **Thurmond.** Would you give me your best assessment at this point in time as to how you think the Germans will react to this proposal and do you expect them to pay for all or most of what you have requested?

Mr. **Farbrother.** It is of course premature to judge exactly what the Germans are going to do. They did respond to our request for a meeting in Bonn by saying that they liked the looks of our plan. I would expect that the Germans would be reluctant to fund some of the facilities as they did in the model that I mentioned up in northern Germany.

The Germans do not themselves provide for their own troops certain support facilities that we would need to provide for ours. I would expect some reluctance to fund those.

I am optimistic on the rest of the plan.

Senator **Thurmond.** Does your fiscal year 1983 construction budget request include some of the same projects that you have asked the Germans to pay for?

Mr. **Farbrother.** Would you repeat the question?

Senator **Thurmond.** Does your fiscal year 1983 construction budget request include some of the same projects that you have asked the Germans to pay for?

Mr. **Farbrother.** We have projects in our 1983 request to complete the work at Vilseck that was started with the 1982 authorization and appropriation. We do not plan to program any more projects related strictly to the master restationing plan at any of those three sites without a complete cooperative agreement with the Germans.

Senator **Thurmond.** I believe you did ask the Germans to pay for some of the same projects requested in this bill?

Mr. **Farbrother.** That is right, the details of the reimbursement will have to be worked out.

Senator **Thurmond.** I believe my time is up now. So I will turn to the chairman of the Appropriations Subcommittee on Military Construction, Senator Laxalt.

DIFFICULT BUDGET DECISIONS

Senator **Laxalt.** Thank you, Mr. Chairman.

Mr. Farbrother, I guess you and everybody else over at DOD are fully aware of the fact that this Congress and the administration in the coming days and weeks face pretty difficult budget decisions. I have been party to some of the work that has been going on. I must say that they are tough and difficult decisions. Eventually even those of us who tend to be defense minded will have to share somewhat the burden.

Having that in mind, I think that probably military construction in relation to the weaponry side and the general DOD budget, is not all that significant; nevertheless, we are still talking about significant amounts when you are talking about $8 billion.

I would like, if your people can, to have you provide us with a list and enumerate the lowest 20 percent priority just for our guidance in terms of the committee and also in terms of our overall budget sessions. If at all possible, I would like to have you and your people cooperate to that extent to prepare that list and submit it to us as quickly as you can.

Mr. FARBROTHER. Yes, sir.

[The information follows:]

Mr. Chairman, we agree that the Congress may have to make some hard choices, however, the Department of Defense firmly believes that all the projects in the FY 1983 Military Construction Program are high priority requirements. The provision of a listing of the bottom 20 percent would be contrary to the policy of the Department of Defense. This policy was confirmed to the staffs of the Senate Armed Services Committee and Senate Appropriations Committee.

IMPROVED MANAGEMENT EFFICIENCIES

Senator LAXALT. Now I am impressed by your statement in relation to cost control, retainage, and collection of contracts. It seems to me you are running a pretty efficient shop.

Are we adopting the same policies on things like cost control and retainage in DOD otherwise on the weaponry side?

Mr. FARBROTHER. Senator, I am not aware of management policies on the weaponry side. Is there anyone at the table with me who is?

Senator LAXALT. I am interested as a matter of concern. You really are getting a pretty substantial bang for the dollars you are putting in this program. I am just interested in whether or not these innovations and practices that you have instituted are applying throughout the department. Apparently you are not aware of whether that may or may not be the case?

Mr. FARBROTHER. I am not. I guess we can take credit for these innovations ourselves. I will make an effort when I get back to share them with people who may be able to use them also.

Senator LAXALT. Very well.

Senator THURMOND. I understand most of your contracts are by competitive bidding.

Mr. FARBROTHER. Nearly all of our actual construction contracts, yes, are competitive bid, that is right.

MX CONSTRUCTION

Senator LAXALT. Where are we in MX? We have $200 million in this budget as I understand based on the original request.

Since then, as you know, the funding for the missile itself has been deleted pending further determination from the Department on basing mode. Where are we in respect to our particular part of this?

The $200 million as I understand it was going to be devoted principally to the interim plan that was proposed by the Department in connection with Minuteman.

Is the $200 million now in terms of our situation simply in limbo until these other determinations are made?

Mr. FARBROTHER. Perhaps General Wright could give you the best answer to that.

This is Maj. Gen. C. D. Wright, Deputy Director for Engineering and Services, Headquarters, U.S. Air Force.

General WRIGHT. Sir, the program that we have developed is based on the silo upgrade or modification program. Insofar as we have been instructed in the Air Force by the Defense Department we are still proceeding on that path with regard to military construction. We will have more detail on MX construction in the Air Force hearing on Thursday.

Senator **Laxalt**. Fine. I wondered generally what the Department's policies are.

Are we spending design money on facilities at the present time? Do you know, General, because clearly if we are it is all money down the rathole.

General **Wright**. No, sir; we have not started design on any of the facilities related to the silo-basing mode. However, there are some projects that are imminent that need to be initiated that do not go with any basing mode. These are the logistics-supporting projects.

Again, we will talk Thursday more about these that we do need to proceed on with design, but we are not spending design funds right now on any of the silo-related projects.

HOST NATION SUPPORT

Senator **Laxalt**. You referred to this in your statement, but I would like to have more in the record. We have the constant problem of increased burden sharing by the host nations. You indicated the discussion at least with the Germans. Otherwise where are we going in terms of overall policy assumptions regarding a greater effort by host nations in terms of these facilities?

Mr. **Farbrother**. I will be glad to provide a more complete answer for the record.

We realize as far as NATO defense capability goes that our allies need to do more and so do we. So, our effort is to do more ourselves and to convince the allies to add to that support. We are exercising leadership in doing that. We are hopeful that we will get the same kind of results from our allies.

I will provide for the record a more detailed description of the negotiations that are ongoing right now and support that has already been secured from our allies.

[The information follows:]

ONGOING HOST NATION SUPPORT (HNS) INITIATIVES

The following highlights some of the ongoing burden sharing initiatives in several countries. A detailed analysis has already been submitted to Congress in March 1982 in the form of the Secretary of Defense's annual "Report on Allied Contributions to the Common Defense."

In general, real progress has taken place in NATO in a number of areas. We have received agreement in principle from Germany, the UK and the Benelux countries for comprehensive wartime host nation support, which would relieve the U.S. of certain support functions and allow us to concentrate more of our stationed and reinforcing troops on combat roles. Norway also has taken a significant and important step in agreeing to pre-positioning for U.S. reinforcements in the Northern Region. NATO has also agreed in principle both to facilitate the movement of the U.S. Rapid Deployment Force to Southwest Asia in support of Western interests there and to take steps—now being developed by NATO Military Authorities—to compensate in Europe for possible U.S. Force diversions in connection with such a RDF deployment.

An agreement by the Federal Republic of Germany to provide over 90,000 German reservists for support of U.S. combat forces during wartime has been approved. Additionally, the government has agreed to provide significant support from civil sources to include transportation, maintenance and communications support.

Germany has designated specific officials to conduct discussions with the U.S. regarding the long range requirements and benefits associated with the Master Restationing Plan. The U.S. has formulated agenda proposals and has held two rounds of discussions with these officials in March and April 1982.

An additional $260 million in infrastructure funds was made available by the NATO nations to accommodate support facilities associated with the deployment of the Ground Launched Cruise Missile.

Several nations have been working closely with the U.S. to develop more detailed and extensive arrangements for the provision of facilities and services to U.S. forces in time of war. These arrangements include provision of personnel, storage, the use of facilities resulting from collocated operating base agreements, staging and transportation for the reception and onward movement of reinforcement forces.

In addition to implementing new initiatives, many nations continue the provision of facilities and services. Belgium, for example, provides 165 sets of family quarters, plus other facilities such as school buildings for U.S. personnel collocated with Belgium units.

Host nation support for over 20,000 U.S. personnel in the United Kingdom represents a significant contribution. In addition to the real estate, manpower, services and tax exemptions already provided, the U.K. government made available additional support facilities to the USAF at RAF Rissington in 1981. Active negotiations continue to define host nation support requirements for U.S. reinforcing forces deploying to and through the United Kingdom.

There were a number of other general and technical agreements initiated, conducted and/or completed in 1981 with NATO allies which will include support under the COB program, the use of civil facilities, provision of manpower, transportation, maintenance, security, airfield damage repair and medical support. (Specifics classified.)

These type of initiatives will continue into 1982.

Burden sharing efforts are underway in Japan and Korea. Two programs in Japan have been in being for several years; a Relocation Program (which includes JFAP) and an Improvement (JFIP). Construction completed under these programs amounts to $528 million and $140 million respectively. The program in Korea is just underway. Currently approved is about $180 million of work, a small amount of which has been completed.

Senator LAXALT. Is there a realization by them that the American people are growing increasingly impatient about assuming most of this ourselves?

Mr. FARBROTHER. There certainly is. I am more familiar with the Germans primarily on the master restationing plan, but that has been an important part of our dialog.

FUNDING SHORTFALL

Senator LAXALT. Last year the committee processed, as part of the budget request, a line item called shortfall funding.

Do you remember the item?

Mr. FARBROTHER. I am sorry, Senator.

Senator LAXALT. Last year the committee processed as part of budget request a line item called shortfall funding which was designed to alleviate the shortage of military construction dollars which has been caused primarily by cost growth due to inflation.

Do you anticipate a need for such a request in the future?

Mr. FARBROTHER. No; we believe that is it.

Senator LAXALT. Are the military construction accounts able to accomplish all approved projects out of the funds appropriated?

Mr. FARBROTHER. Yes, sir, to my knowledge.

Senator LAXALT. You think you are all right?

Mr. FARBROTHER. I believe so. We have our requirements covered in the budget. I believe Admiral Zobel has something to add.

This is Rear Adm. W. M. Zobel, CEC, USN, Commander, Naval Facilities Engineering Command, Department of the Navy.

Admiral **Zobel**. I would like to add one thing, Senator.

Last year in execution of the program you have allowed us the flexibility of what we call a rollback and roll-forward provision on each year's bill as we proceed through the execution process. That has allowed us to make maximum use of our dollars that you provided to us by allowing us to use the following year's appropriation to fill in this year's needs or to allow us to use this year's appropriation to take care of next year's needs, should we have more than we need.

That provision has made it very flexible and I think optimizes the use of the dollars in the program.

DEPENDENT SCHOOLS

Senator **Laxalt**. I thank you.

One or two more points here: Included in your rather sizable request for overseas construction are several dependent' schools.

Are we to assume that construction management of the Defense Department's independent schools will continue to be handled by the Defense Department?

Mr. **Farbrother**. There is in effect a separate agency that does the budgeting and management of dependents' schools.

Senator **Laxalt**. What I am getting at, is the Department of Education involved in any of this?

Mr. **Farbrother**. No; this is totally Defense. The administration's plan is that the Defense Department should continue to operate those schools.

WORKING AND LIVING CONDITIONS

Senator **Laxalt**. Finally, the quality of life for our military personnel has been a big issue in recent years. How is the leadership of the Defense Department responding to the working and living conditions? You have answered part of this already. Can you amplify on this?

Mr. **Farbrother**. Very early in the administration Secretary Weinberger among other high level Defense managers traveled throughout the overseas areas, particularly Europe, and came away with the strong impression that conditions were bad and had to be fixed. It was one of the items that is being discussed and worked on by the President's task force on military manpower.

It certainly is getting a lot of attention and the first sign of that attention is the significant increase we have in the funding in our budget this year.

Senator **Laxalt**. Have any of the requirements been deferred? For example, gymnasium, chapel, children, and family service centers?

Mr. **Farbrother**. I don't know of any decision to defer any of those projects right now.

It is pretty much what the services wanted in their budgets.

Senator **Laxalt**. Mr. Chairman, I think that is all I have in the limited time available.

I thank you.

Senator **Thurmond**. Thank you Senator Laxalt.

Senator Mattingly?

Senator **Mattingly**. Thank you, Mr. Chairman.

I would just like to say that during the past year I think there has been a lot to commend those who are responsible for military construction.

Mr. Farbrother, I think you are to be commended on that.

Mr. **Farbrother**. Thank you.

Senator **Mattingly**. I think the execution rate has been excellent and cost control has improved. However, I am concerned about the supplemental request of $199 million that will be coming before us for fiscal year 1982. You have made the comment that if you couldn't get it, then it would be better to have it in fiscal year 1983 than not get it at all.

Since I have come to the Senate I have made known my opposition to supplemental appropriations as concerns adding money to the budget. I think the supplemental that will come before us will be dealing with such things as Rapid Deployment Joint Task Force and unacceptable living conditions for military families in Europe. I believe these needs in these areas have been known for some time and really should have been taken care of in the year's budget just passed.

I will be frank with you when I tell you that I don't intend to support supplementals that should have been presented in the normal budget cycle. I second Senator Laxalt's comment, which I would like to encourage you to do, to give the lower prioritized 20 percent of your budget to us as soon as possible which I think would be a good management initiative.

I think that is part of the scope of what Secretary Weinberger and Deputy Secretary Carlucci and everyone else have been talking about and other points on the new initiatives. I feel deeply about this, that to come in and ask for $199 million more is not only tough because we are in tight budgetary constraints, but to have proper budgeting, that needs to be done now.

In other words, if you are looking forward to fiscal year 1983, are we going to have supplementals next year? How soon do you think you will be able to get this 20 percent that Senator Laxalt was talking about so that we can get a look at this area?

Mr. **Farbrother**. I will have to get higher level guidance in the Department of Defense, Senator. I understand your request and I understand just why you make that request. Unfortunately I can't give you a definitive answer on how soon you can get that information.

The guidance I have gotten so far is not to provide such a list, but I will certainly carry your request back and bring it to the Secretary's attention.

Senator **Mattingly**. What do you mean, not to provide such a list?

Mr. **Farbrother**. There have been a number of requests of a similar kind made to the Secretary and others in the Defense Department and administration for ways to cut the defense budget.

The Secretary's position is that he doesn't want the defense budget cut.

Senator **Mattingly**. What was the appropriation for fiscal year 1982? $7 billion? Which is roughly 3 percent that this request is, roughly $200 million.

If you picked the bottom 3 percent, maybe we can shift some things that are of lesser importance into fiscal year 1983 and maybe the request that you have for this $199 million, if they are higher priority, can be shifted into those areas. I think that it is a management issue basically that you were talking about.

Maybe it would be easier to find 3 percent rather than 20 percent.

I would like to ask General Wright a question.

STATUS OF FISCAL YEAR 1982 MX CONSTRUCTION

Senator Laxalt asked a question about the MX. Is there any money being spent on military construction on the MX this year?

General **Wright**. Money being spent this year out of which year's appropriation, sir?

Senator **Mattingly**. Fiscal year 1982? We took out $500 million in fiscal year 1982. Is there any money in the military construction budget for fiscal year 1982 being spent on the MX?

General **Wright**. I am going to say no except for one item that was approved by the Congress and that was the procurement of the building complex in Norton Air Force Base for $11 million. That was approved in the 1982 program.

I would like to check that, sir, but right off the top of my head I don't believe there was any other 1982 appropriation.

Senator **Mattingly**. The question has been asked about design money. Could you inform us if there is any money in the fiscal year 1982 being spent for military construction?

Senator **Thurmond**. Can you check that and provide that for the record?

General **Wright**. Yes. I will check that and provide it for the record, but I don't think there is any.

[The information follows:]

There was no money included in the fiscal year 1982 military construction bill for planning and design of MX facilities and no other fiscal year 1982 planning and design money is being spent.

Senator **Mattingly**. Thank you very much.

DAVIS-BACON ACT

Senator **Thurmond**. I have a few questions on the Davis-Bacon Act. What assumptions have you made in this budget request regarding the Davis-Bacon Act? Have you reduced your project estimates in anticipation that Davis-Bacon will be waived or revised?

Mr. **Farbrother**. The assumption we have made is that the administrative changes, the revisions will take place, but that the effect of those savings will not occur in fiscal 1983. No, sir, our estimates have not been reduced for fiscal 1983 in anticipation of Davis-Bacon revision and savings.

Senator **Thurmond**. My understanding is that you are continuing to operate under the old Davis-Bacon rules?

Mr. **Farbrother**. Yes, sir, those rules are still in effect.

Senator **Thurmond**. What has happened to the revisions to the regulations implementing Davis-Bacon that the administration proposed last year?

Mr. FARBROTHER. I believe they were drafted and published in the Federal Register for public comment. I am not entirely clear what the remaining process is, but I will provide that for the record.

[The information follows:]

DAVIS-BACON ACT

In line with the Administration's regulatory reform effort, the Department of Labor (DOL) has drafted significant revisions to its implementing regulations. Revisions were published last fall for public comment. We generally endorsed the revisions as they would substantially mitigate the inflationary aspects of the current wage determination practices as well as reduce the administration burden. DOL anticipates publishing these revised regulations early this summer.

Senator THURMOND. How much do you estimate that you have had to increase your project estimates in this bill just to accommodate Davis-Bacon rules. Would you give us the percent and total dollars?

Mr. FARBROTHER. I will supply it for the record.

[The information follows:]

DAVIS-BACON ACT

The Department of Defense estimates that the "Inside the United States" portion of the fiscal year 1983 Military Construction Program has been increased by $68 to $105 million (2.2 to 3.4 percent) to accommodate Davis-Bacon rules.

Senator THURMOND. Would you favor or oppose a legislative amendment to this bill to waive requirements imposed by the Davis-Bacon Act?

Mr. FARBROTHER. I believe the administration's position remains that we intend to reform the administration of the Davis-Bacon Act and that we do not favor any repeal for defense work from that act.

Senator THURMOND. It is about time you get started on it.

Mr. FARBROTHER. It is a slow process.

Senator THURMOND. That was last year. There is no use to repeal it or waive it if we don't have regulations. We don't have regulations yet. How long does it take to get regulations to do something?

Mr. FARBROTHER. I don't mean to sound glib, but I think it takes longer to undo regulations sometimes than to make them. Not only is there a delay there, but I believe it takes some time further even after the regulations have been changed and new ones implemented for the savings to actually occur because some of these adjustments having to do with pay levels have contract personnel and those things don't get adjusted overnight. So it will be some time, sir.

Senator THURMOND. The bureaucracy is not in sympathy with this change. The estimate previously I believe is that it would save 10 to 15 percent. We are trying to cut the budget to bring this deficit down. This is an opportunity where if we can save 10 or 15 percent it seems to make sense that we do it. Does it not?

Mr. FARBROTHER. We do favor the changes. I can guarantee that if there is a bureaucracy protecting the Davis-Bacon procedure it is not the Defense Department bureaucracy.

Senator THURMOND. It is not in the Defense Department?

Mr. FARBROTHER. It certainly is not the Defense Department. We are anxious to get these savings.

SELLING EXCESS FEDERAL PROPERTY

Senator THURMOND. Now I have a few questions on selling excess Federal property.

The President has signed an Executive order requiring all Federal agencies to identify real estate that may be excess, with a view toward possibly selling this excess land and using the proceeds to reduce the national deficit.

Please insert copy of that Executive order in the record at this point and explain what the Defense Department is doing to implement the order.

Mr. FARBROTHER. Yes, sir. I will provide a copy of the Executive order.

[The information follows:]

[From the Federal Register, vol. 47, No. 40, Mar. 1, 1982]

PRESIDENTIAL DOCUMENTS

Executive Order 12348 of February 25, 1982

FEDERAL REAL PROPERTY

By virtue of the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 205(a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(a)), in order to improve management of Federal real property, it is hereby ordered as follows:

Section 1. (a) There is hereby established a Property Review Board.

(b) The members of the board shall be the Counselor to the President: Director, Office of Management and Budget; Chairman, Council of Economic Advisers; Assistant to the President for Policy Development; Chief of Staff and Assistant to the President; Assistant to the President for National Security Affairs; and such other officers or employees of the Executive branch as the President may from time to time designate. One of the members of the Board shall be designated by the President as Chairman.

(c) Staff, including an Executive Director, and other administrative support shall be provided from resources available to the President.

Sec. 2. The Board shall perform such functions as may be directed by the President, including the following:

(a) develop and review Federal real property acquisition, utilization, and disposal policies with respect to their relationship to other Federal policies;

(b) advice the Administrator of General Services with respect to such standards and procedures for executive agencies that are necessary to ensure that real property holdings no longer essential to their activities and responsibilities are promptly identified and released for appropriate disposition;

(c) review and examine prior disposals of surplus property for public benefit discount conveyances to ensure that the property is being used and maintained for the purpose for which it was conveyed;

(d) receive the surveys and reports made by or to the Administrator of General Services pursuant to Sections 3 and 4 of this Order as well as other reports on Federal real property that are requested by the Board, with particular attention to resolution of conflicting claims on, and alternate uses for, any property described in those reports, consistent with laws governing Federal real property;

(e) provide guidance to the Administrator of General Services in accord with Section 6 of the Order;;

(f) establish for each Executive agency annually the target amount of its real property holdings to be identified as excess: and

(g) submit such recommendations and reports to the President as may be appropriate.

Sec. 3. (a) All Executive agencies shall periodically review their real property holdings and conduct surveys of such property in accordance with standards and procedures determined by the Administrator of General Services pursuant to Section 206 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 467), and this Order.

(b) The head of each Executive agency, within 60 days of the date of this Order, shall report to the Administrator of General Services and the Board the agency's real property holdings which, in his judgment, are not utilized, are underutilized, or are not being put to optimum use.

(c) The head of each Executive agency shall identify, and report to the Board, all those properties which can be considered for disposition in response to the targets established by the Board in subsection 2(f) of this Order.

Sec. 4. The Administrator of General Services in consultation with the Board shall issue standards and procedures, conduct surveys, and cause surveys to be conducted, to ensure that the real property holdings of Executive agencies shall continually be evaluated with special emphasis on the identification of properties that are not utilized, are underutilized, or are not being put to optimum use. The Administrator shall consult with the Board and appropriate Executive agencies in order to (a) identify real property that is excess or surplus to the needs of the Executive agencies, and (b) make such real property available for its most beneficial use under the various laws of the United States affecting such property.

Sec. 5. The Administrator of General Services shall report to the Board with respect to any property or portion thereof which has not been reported excess to the requirements of the holding agency and which, in the judgment of the Administrator, is not utilized, is underutilized, or is not being put to optimum use, and which he recommends should be reported as excess property.

Sec. 6. Before the Administrator of General Services assigns or conveys property for public benefit discount conveyances, he shall first consult with the Board and consider such guidance as it may provide.

Sec. 7. The Administrator of General Services shall, to the extent permitted by law, provide necessary advice and assistance to the Board to accomplish the objectives of this Order.

Sec. 8. Executive Order No. 11954, as amended, is revoked.

RONALD REAGAN.

THE WHITE HOUSE,
February 25, 1982.

Mr. FARBROTHER. The Defense Department has already started action on the part of the military departments to review all of their real estate holdings to identify those things that they could do without affecting adversely their military capabiilty, with particular emphasis on properties that may have high commercial value.

We of course have a procedure that has been in place for many years to get rid of excess material and excess property, but I believe this new emphasis will produce some more excess real estate. We haven't finished the initial list of properties that could be made available for sale, and won't until April 26, which is when our first report is due to the Federal Property Review Board.

Senator THURMOND. Does your budget for fiscal year 1983 include any assumptions with regard to selling excess lands?

Mr. FARBROTHER. No, sir, it does not.

Senator THURMOND. What would be your position on a legislative provision that would encourage the sale of excess Defense lands with all or a portion of the proceeds being retained by Defense to be used for defense purposes?

Mr. FARBROTHER. The administration is clear that the proceeds from any real estate that is sold will go to reduce the national debt, they will be returned to the Treasury. I believe that is certainly a high priority use for those funds.

SMALL BUSINESS SET ASIDES

Senator **Thurmond**. I have a few questions on small business set aside for architect-engineers. We have been advised by several large architect-engineer firms that the Defense Department is limiting virtually all its construction design contracts to small firms as defined by the Small Business Administration. We will have testimony from some of these large firms later this week

What is the Department's policy with regard to the award of design contracts to "small" architect-engineer firms?

Mr. **Farbrother**. The Department's policy on those awards is just as it is with any procurement, that the contracting officer will set aside those purchases to small businesses provided that at least two small businesses can be expected to bid and that we will get a good price.

So, we treat architect-engineer contracts just like any other procurement action.

Senator **Thurmond**. How many architect engineer firms are there in the United States and how many qualify as "small business" under the SBA rules as implemented by the Department?

Mr. **Farbrother**. Our best estimate, and this is not a very good estimate, is that there are about 30,000 architect and engineering firms that could really be called—this excludes those that are one-man operations out of a home—people who have a payroll, numbering about the order of 30,000. All but 200 to 300 of those would qualify under the SBA regulations as small businesses.

Senator **Thurmond**. We don't want to hurt small business. I understand, however, there are about 200 so-called large firms that have been getting no work at all. I wondered if you had looked at that aspect?

Mr. **Farbrother**. This question was brought to my attention just recently. The statistics that we have are not entirely reliable because we have not focused on this question for very long. As I mentioned, only about 1 percent of all the architect-engineer firms would be classified as large businesses. The other 99 percent, small businesses.

By the way, the SBA categorizes a business as small in this kind of work if its gross receipts for the past 3 years average about $7½ million or less. So, 99 percent are small, about 1 percent large.

Now in looking at the statistics that we do keep on this, it appears to us that about 10 percent of the contracts still go to this 1 percent of large businesses, 10 percent of the actual number of contracts that we let, and that comprises about 30 percent of the dollar value.

So, the percentages have been getting smaller over the last few years, that is, the amount that goes to large businesses has been declining to its current level of about 10 percent of the number of contracts and 30 percent of the dollar value.

Senator **Thurmond**. The largest firms, 200 I believe you say, are getting 30 percent?

Mr. **Farbrother**. On a dollar value basis, that is right.

Senator **Thurmond**. In your judgment what would be a reasonable percentage of your design work that should be set aside to be accomplished by "small business" architect-engineer firms?

Mr. **Farbrother**. I don't have any real feel for what the right percentage is. What we want is responsive competent firms who will give us the price that we want. These prices, of course, we estimate ahead of time and they are negotiated and nearly all the time the firms agree to the price that we think is right.

So, I have no real basis that would say the percentages that we are experiencing right now are right or wrong. It appears that the large businesses, which only represent one percent of the total population, are getting at least a fair share of the work.

Senator THURMOND. I will submit additional questions.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND AND ANSWERS SUPPLIED BY MR. DOUGLAS FARBROTHER

Senator THURMOND. What percentage of your design work in fiscal year 1981 went to "small business" architect-engineering firms, as defined by the SBA and as implemented by the Department? (Give the percentage in terms of numbers of contracts and dollars value of design work accomplished.)

Answer: The information follows.

	Percentage of contracts	Percentage of dollars
Small business	88	70
Large business	12	30

Senator THURMOND. The Small Business size standard for Architect-Engineers is a firm having average billings of $7.5 million per year or less over three years. We understand this equates to a firm employing approximately 200 people. We further understand the national average size of A–E firm is in the range of 10–12 people. When a project is set aside it is open to competition for all small firms; e.g., 1 person to 200 people. Is that summary accurate?

Answer. The Department of Defense does not have any census information on the average size of firms or the average size of a firm averaging $7.5 million in annual receipts. We have, however, seen figures approximately the same as those stated. These figures were attributed to one of the professional organizations and we presume that they are reasonably accurate.

Senator THURMOND. Given this range of firms, does the present set-aside program as set forth by DAR paragraph 1–706.5(a)(1) create an atmosphere which attracts average or smaller size A–E firms into the military design program?

Answer. As far as we can determine, small firms have always been interested in DOD work. This is evidenced by the approximately 19,000 firms which have submitted standard forms 254, which is the form that an A–E firms files with us to indicate an interest in doing business with the DOD. The number of such firms filing with us has increased in recent years. However, we cannot distinguish between firms which may have been attracted because of the policies established in the Small Business Act Amendments of 1978 (as reflected in DAR 1–706.5(a)(1)) and those which have elected to show an interest in our work because of the general low level of design and construction work throughout the country.

Senator THURMOND. What percentage of A–E contracts (in percentage of dollar volume and number of contracts) published in the Commerce Business Daily during the last quarter were exclusively set aside for small businesses?

Answer. The information for the most recent quarter is not yet available. However, we do have figures for 1981. The percentage of set-asides in 1981 was 64. However, the number of contracts actually awarded to small business was 88 percent (70 percent of dollar volume).

Senator THURMOND. If the average sized A–E firm is only about 12, how is DOD's set-aside policy helping the truly small and new A–E firm when it must compete against 99+ percent of all A–E firms?

Answer. The policy of set-asides for A–E firms is not a "DOD Policy", rather it is National policy as set forth in the Small Business Act Amendments of 1978 with size standards as determined by the Small Business Administration. It is our understanding that under the SBA size standards 99 percent of all firms in the country, regardless of product or service, are small. We have no statistics which would indicate whether or not very small and new firms have been helped and we would defer to the Small Business Administration on this question.

Senator Thurmond. Various contracting officers in the field have privately complained about the exclusive A-E set-aside policy as being unfair and an overkill. Please tell the Committee how this policy is actually working? Is it fair? Is it necessary?

Answer. From our records of the past few years, a larger percentage of our contracts are now going to small business firms. However, we believe that this would have happened, to some extent, in any case since our program has increased in size (1063 contracts in 1980 vs 1294 contracts in 1981). We have a policy of spreading the work; i.e., of not giving several contracts to a single firm. Therefore, with more contracts, and 95 percent of all A-E firms being small, our base of small firms would have increased. Again, we cannot distinguish between the increase in the number of small firms caused by the increase in our program and the increase caused by the Small Business Act Amendments of 1978. The set-aside policy is necessary to comply with the Small Business Act Amendments of 1978. Whether or not the policy is "fair" is a philosophical question on which we do feel competent to comment.

Senator Thurmond. Since DOD pursued a conscious policy of spreading the work for A-E firms and providing fair amounts to small business prior to the 1980 DAR requirements, is an exclusive set-aside for A-E's really necessary for this industry?

Answer. Prior to the Small Business Act Amendments of 1978. we believed that our policy of spreading the work plus the natural economic considerations that resulted in most small contracts going to small firms and most large contracts going to large firms resulted in an equitable distribution of work throughout the profession. Nevertheless, in order to be responsive to the 1978 amendments, the DAR was revised to provide for the use of exclusive small business set-asides in this area.

Senator Thurmond. Is the DOD aware that its DAR virtually excludes the top 200 A-E firms from working with it on a regular basis? If so, won't that seriously impede mobilization during a national emergency?

Answer. The most recent year for which we have data, fiscal year 1981, shows that 30 percent of our dollar volume of A-E contracts went to large business firms. Over the years, thousands of firms, both small and large, have become familiar with DOD work. The exclusion of any one segment of the profession from our work would reduce the number of firms having such familiarity and could impede a mobilization effort, however, we have no indication that such an exclusion has occurred.

Senator Thurmond. Senator Laxalt.

MILITARY CONSTRUCTION COST COMPARISONS

Senator Laxalt. Thank you, Mr. Chairman.

In recent years there has been concern over estimates presented to Congress about individual projects. The management of the military construction program has improved which in turn has controlled cost growth. However, if the construction industry were not as depressed as it is presently would your estimates still be able to stand?

Mr. Farbrother. I think there is no doubt that we have reaped a benefit from the current state of the economy.

Senator Laxalt. Do you have any statistics comparing previous years' estimates and how they actually ended up in the bidding during the last 8 months?

Mr. Farbrother. I don't have anything with me. I will be glad to provide something for the record.

[The information follows:]

MILITARY CONSTRUCTION COSTS

Statistics of the ratio of program costs to program estimates for the last three completed fiscal years and the first half of the current fiscal year are shown below.

[Fiscal years]

	Program cost/program estimate (percent)			
	End 1979	End 1980	End 1981	1st 6 mo 1982
Army	106.9	100.0	91.0	71.0
Navy	97.0	90.2	95.1	84.0
Air Force	90.3	84.2	81.5	71.8

LAJES AIRFIELD

Senator LAXALT. There has been considerable discussion in the committees in the last couple of years in connection with Lajes in the Azores. Exactly what is the status of negotiations with the Government of Portugal and what do you foresee as the outcome of these negotiations?

Mr. FARBROTHER. Senator, that information is classified. I will be glad to provide it for the record or perhaps later if you plan to go into a closed hearing.

Senator LAXALT. We will do that later in executive session.

NSA OPERATIONS BUILDING

Last, the National Security Agency's request as part of the Defense agency's budget, part B, of a sizable operations building project at a cost of $75 million, is this 10-year program presented to the committee last year still on track?

Mr. FARBROTHER. Senator, I have a representative from NASA with me.

Would you care to stand up.

This is Col. Zach Hagedorn, deputy assistant director, installations and logistics, National Security Agency.

Colonel HAGEDORN. That program is still on track and it is the Agency's intent to stay within the planned constraints.

Senator LAXALT. Has part A of the operations building been awarded under contract?

Colonel HAGEDORN. Yes, part A has been awarded to Pizzagalli Construction Co., headquartered in Vermont, with a local office in Silver Spring, Md.

Sentor LAXALT. Were we able to meet all the requirements within the appropriated amount?

Colonel HAGEDORN. Yes, sir, all requirements were met and the funded amount was more than enough.

Senator LAXALT. Thank you, Mr. Chairman, that is all I have. I will submit additional questions for the record.

[The questions submitted by Senator Paul Laxalt follow:]

Senator LAXALT. You have presented us with a $199 million supplemental request. Would you please give us some details on this request? In particular, I believe the Committee would be interested in the urgency of the projects for MacDill Force Base and the family housing O&M for the Army.

Answer. The additional appropriations are required to begin construction of the Ras Banas facilities; to correct a serious shortfall in facilities to support current and emergent missions of the Rapid Deployment Joint Task Force, the United States Readiness Command, and Joint Deployment Agency facilities at MacDill Air Force Base, Florida; and to alleviate the unacceptable living conditions confronting our forward-deployed service people and their families by reducing the family housing backlog of maintenance in Europe, and by executing additional family housing leases in Korea.

RAS BANAS

The planned use of Ras Banas as a staging area for the Rapid Deployment Forces (RDF) remains as outlined in last year's hearings. The mission and capabilities proposed for this site have been reviewed and approved by the Secretary of Defense, as requested by the House Appropriations Committee. In addition, Egypt's agreement to allow us the use of the facilities at Ras Banas provided by President's Sadat's letter and reaffirmed by President Mubarak in October 1981, provides a firm base for programming and constructing RDF facilities at Ras Banas. Award of the construction contract is necessary in order to meet the Joint Chiefs of Staff Initial Operational Capability date in conjunction with the completion of the follow-on fiscal year 1983 program.

MAC DILL AIR FORCE BASE

Additional facilities are required to support the Department of Defense joint agencies at MacDill AFB, Florida. When we obtained approval in the fiscal year 1982 Military Construction Program for a 75,000 square foot Rapid Deployment Joint Task Force Headquarters, the approved manning level was 569. A recent Joint Chiefs of Staff decision increased the manning to 967. This fiscal year 1982 Supplemental will construct a 65,000 square foot addition to the facility now under construction to provide space for the additional personnel. On January 1, 1983, the Rapid Deployment Joint Task Force will become a unified command. The total facility is urgently needed to permit the Rapid Deployment Joint Task Force's orderly development into the unified command and to accommodate the resultant personnel growth.

The United States Readiness Command Headquarters absorbed the 168 personnel of the Joint Deployment Agency in 1979 within existing facilities and will experience additional increases as its mission grows. Accordingly, a 33,000 square foot addition to the Headquarters United States Readiness Command building is included in our request. Expansion includes the Joint Interface Training System which will enhance our combat capability by improving the control and interface of the tactical forces assigned to the services. As Intelligence Data Handling System is required to improve our collation and use of the vast quantity of intelligence data available to improve the quality of operations, concepts, and plans.

The Joint Communications Support Element requires additional space to accommodate an increase of 132 personnel and the storage, maintenance, and operation of a new $21.4 million enhanced equipment package being procured. This equipment and manpower will improve the communications systems the Joint Communications Support Element can establish when responding to a full range of worldwide contingencies.

In conclusion, additional facilities are required to support a 150 percent increase between 1979 and 1984 (812 to 2,070) in joint billets at MacDill.

FAMILY HOUSING

The family housing portion of the fiscal year 1982 Supplemental request is for the basic purpose of alleviating the totally unacceptable living conditions faced by forward deployed service people and their families. $80.3 million in appropriations will be used to reduce the large backlog of family housing deferred maintenance in Europe and to execute 436 additional family housing leases which have previously been approved by the Armed Services Committees for command-sponsored accompanied personnel in Korea. Both requests are quality-of-life issues which directly impact personnel retention and ultimately force readiness. Let me assure you that the adverse conditions under which service people and their families must live are real and demand early remedy. Accordingly, the request is considered urgent.

WRIGHT-PATTERSON AIR FORCE BASE

The Foreign Military Sales Center at Wright-Patterson AFB, Ohio is housed in a condemned two-story, 36-year-old building which is structurally unsound and a serious hazard to life and property. The second floor has been evacuated for three years. The first floor is supported by stop-gap shoring and must also be evacuated when severe weather threatens. The deteriorated structural condition is causing utility line breaks which present an unacceptably high risk of fire.

Should a fire occur there is little probability it could be contained. Some 400 personnel occupy this building, which houses important foreign military sales records. Because of these life-threatening conditions, the Air Force Logistics Command Civil Engineer has declared an emergency need to vacate the building. The proposed alteration project offers the most expedient, cost effective solution. The former commissary building to be used is currently vacant and architecturally suitable for low-cost alteration. Relocation off-base is not practical nor cost effective.

The responsibilities and present strength of the Center will remain essentially unchanged for the foreseeable future. While we are not requesting this Committee to approve the appropriation of any funds for this project, I do want to keep you informed of action we plan to take to improve an existing facility in Ohio.

RAS BANAS, EGYPT

Senator LAXALT. What is the status of initial construction at Ras Banas in Egypt?

Answer. No work is yet underway since no funds have been provided by Congress.

Senator LAXALT. If you do not receive the 1982 supplemental until the June–July time frame, can you expect to obligate the request prior to the end of the fiscal year?

Answer. Yes, because the design is essentially complete.

Senator LAXALT. In the area of base management, please explain your statement and how it reflects the military construction budget concerning "incentives for improved efficiency starting at the base level."

Answer. We have initiated several actions to increase economies and efficiencies at military installations, however, those actions are not reflected in the military construction budget. Specifically, we are seeking to reduce overhead costs by increasing interservice and inter-base consolidations of family housing and real property maintenance activities. We are increasing studies on contracting out to produce economies and improved performance through competition between internal organizations and potential contractors. We are developing better long range planning. Facilities cannot be developed on a "crash" basis—generally it takes 5 to 7 years from inception of planning to have a completed facility. Compression of this time means costly redesign, change orders, or incentives to planners, architects, and contractors to speed up the project. All this increases the cost of the project and further impacts resources available for military construction. We are also exploring new and innovative management techniques. Included are: reserves for depreciation, revolving funds, fencing of funds, cost sharing with other Federal agencies, and applying property management techniques of the private sector. To create incentives for such efficiencies we are exploring with the use of goals, targets, sharing of savings at the installation level, and rating our managers on efficient management.

Senator LAXALT. What do you estimate to be the so-called backlog of military construction requirements and how is this backlog determined?

Answer. The backlog of military construction requirements is estimated to be about $42 billion as of the start of fiscal year 1983, which includes about $2 billion for Defense Family Housing. This backlog amount is based on determinations by each Department of Defense component of the requirement to replace or modernize existing facilities or to construct additional facilities in support of new or changing missions.

Senator LAXALT. What inflation factor was used in preparing the fiscal year 1983 military construction budget? How much real growth do you anticipate in the program as requested?

Answer. The fiscal year 1983 military construction budget was formulated based on a 7 percent inflation rate, which is representative of the inflation anticipated for military construction. The budget estimates are for cost projected to the mid-point of the construction period and additional growth is not anticipated.

Senator LAXALT. What are the predictions for military construction funding requests in the current 5-Year Defense Plan?

Answer. The level of funding for military construction over the next 5 years is planned to at least equal this year's program in constant dollars. We are committed to a military construction program which will provide new facilities and replace or upgrade existing facilities to meet new or changing missions, and to improve working and living conditions for our military people. Increases in the size of the program will depend on the results of future programmatic reviews.

PREFINANCING OF NATO-ELIGIBLE PROJECTS

Senator **Laxalt**. In the last couple of years, the Committees involved with military construction have allowed for some prefinancing of NATO infrastructure-eligible projects. Could you please give us details and an accounting of all prefinanced projects which have not been totally recouped.

Answer. In the past 3 fiscal years, significant progress has been made in recoupment for eligible prefinanced projects, as shown by the following data:

[By fiscal years, millions of dollars]

	End 1978	End 1981	Change
Total eligible prefinanced	495.5	567.1	+72.2
Total recouped	155.5	284.8	+129.4
Percent recouped	(31)	(50)	(+19)
Balance currently recoupable	67.7	78.6	+10.9
Balance to be programed by NATO	272.3	204.3	−68.0

Goals have been established to complete recoupment of the end fiscal year 1981 balance currently recoupable ($78.6 million) during fiscal year 1982 and fiscal year 1983. Recoupment, during these years and subsequent, of the balance to be programmed by NATO ($205.2 million) will depend on the amounts and timing of NATO's annual programs (slices) to be approved in 1983 and later. A major portion of this latter balance, however, is $105 million for aircraft shelters for reinforcement squadrons and for in-place squadrons in excess of the 70-percent level presently supported by SACEUR; these are not expected to be fully programmed and recouped before the end of the next NATO cost-sharing period (1985–1989).

The current details of prefinancing and recoupment, as of March 31, 1982 (end 2nd quarter, fiscal year 1982), are as follows:

	Amount (millions)
1. Total eligible prefinanced	$575.810
2. Recouped:	
Amount	302.074
Percent of eligible	(52.50)
3. Balance currently recoupable:	
(a) NATO funds authorized, not yet received	23.509
(b) Awaiting fund authorization at NATO	33.053
(c) Fund requests due to NATO	11.591
Subtotal	68.153
4. Balance to be programed by NATO	205.583

Senator **Laxalt**. There has been considerable discussion in the Committee the last couple of years of the use of Lajes Air Base in the Azores. Exactly what is the status of negotiations with the government of Portugal?

Answer. Negotiations with the government of Portugal to renew the base rights agreement for Lajes Air Base have begun. Currently, we expect to sign a renewal of the base rights agreement that will include all U.S. requirements by February 1983, the time of expiration of the current agreement.

Senator **Laxalt**. What do you foresee as the outcome of these negotiations?

Answer. We expect to obtain the government of Portugal agreement for the U.S. to use Lajes Air Base to support all planned air logistic operations. Again, we expect this agreement to be completed by February 1983.

Senator **Laxalt**. An article in the Washington Post within the past few days discussed Federal construction in the National Capital Region. It noted a sizeable military construction program with facilities at the Navy Yard, Fort Belvoir and other installations. Would you comment on this article?

Answer. The only sizable military construction program in the National Capital Region being considered by the Navy is the renovation and construction required to relocate Navy offices from spaces currently under lease in the area. The Navy is currently developing a master plan for a phased move out of leased spaces and relocation into government owned spaces. An environmental impact study is being conducted to consider four alternative sites for the eventual location of the major portion of the Navy's offices. These alternate sites are the Washington Navy Yard renovation and construction, construction near the Pentagon, Crystal City purchase or status quo and construction at White Oak, Maryland.

In order to take advantage of an opportunity to use currently underutilized buildings already owned by the government and to avoid increasing construction costs, the Navy has included in the fiscal year 1983 military construction program, two renovation projects totalling $15 million at the Washington Navy Yard. These two projects will provide for the renovation of approximately 250,700 square feet of existing spaces in four buildings at the Washington Navy Yard permitting the relocation of approximately one thousand Navy civilian and military personnel who are now in leased space. These projects are totally independent of any subsequent projects and relocations, from the perspectives of organizational management, space utilization, design, construction integrity, funding and economic viability. The Navy is undertaking a detailed environmental study on the potential adverse impacts associated with the total relocation plans out of leased space in the Washington, D.C. area. There are however, no unmitigable adverse impacts which would result from the Fiscal Year 1983 projects. A final decision on the total relocation will not be made until the environmental process is complete.

The Navy has conducted net present value, cost to the Federal government, economic analyses on both the fiscal year 1983 projects and total relocation out of leased spaces. These economic analyses were carefully reviewed, based on very conservative and 10-year trend projections of the commercial lease market. The total relocation analysis clearly shows net present value savings ranging from $21–73 million, depending on the degree to which the lease market softens between 1981 and 1983. The economic analysis for the fiscal year 1983 projects, indicates net present value savings ranging from $2.7 to $6.7 million, depending again upon the degree to which the lease market softens. Actual lease cost experience in the ensuing 6 months since the analyses were made, as reported to Navy by the GSA, indicate that savings will fall in the mid-range of the above projections, assuming construction costs remain constant.

The Air Force program for fiscal year 1983 includes four projects at Andrews and Bolling Air Force Bases totalling $19,350,000. The program includes:

	Amount millions
Bolling AFB:	
Administrative facility	$4.2
Replaces a facility destroyed by fire in 1980. Provides administrative space for functions now in leased space in the National Capital region.	
Andrews AFB:	
Child care center	1.05
Adds to the existing facility which is not large enough to satisfy base requirements.	
Unaccompanied enlisted personnel housing	6.1
Part of the Air Force-wide program to upgrade substandard housing facilities.	
Air National Guard support system	8.0
Will centralize and consolidate Washington area air National Guard operations.	

[CLERK'S NOTE.—End of questions submitted by Senator Laxalt.]

Senator THURMOND. The Senator from Georgia.

FORCECOM HEADQUARTERS—FORT MCPHERSON

Senator MATTINGLY. I have a parochial interest. Do you have any idea what the holdup has been for many years on the Forcecom headquarters on Fort McPherson, why it has never been pushed forward to build on the headquarters there.

Mr. FARBROTHER. I don't have much of a personal background on that. Perhaps General Delbridge can answer your question.

This is Brig. Gen. Norman G. Delbridge, Jr., Assistant Chief of Engineers, Department of the Army.

General **Delbridge.** Senator, up to a year ago that project had really been between the Congress and the Defense Department as a priority issue. That was solved last year. Then that project went to design and the release of the design funds was made. That project is presently scheduled in the 1984 program and the design is underway on that Forcecom headquarters right now.

Senator **Mattingly.** It is to become a permanent headquarters?

General **Delbridge.** Yes, sir; it is and it is scheduled in the 1984 program.

Senator **Mattingly.** What is the design status and could it be put in the 1983 program?

General **Delbridge.** The design status at the present time, sir, is at 35 percent. It could be put under construction within the 1983 time frame. It was not at the necessary design level when we submitted the 1983 program and that is why it was in the 1984 program. However, it could be put under construction within the 1983 timeframe.

Senator **Thurmond.** Could you supply this information for the record? I understand it is not under design yet.

[The information follows:]

The preliminary feasibility study to include detailed cost estimates has been completed. Negotiations are currently underway to award the final design contract. Our current schedule would allow for a project award in fiscal year 1983. A copy of the current 1391 follows.

1. COMPONENT ARMY	FY 19^{83} MILITARY CONSTRUCTION PROJECT DATA	2. DATE

3. INSTALLATION AND LOCATION Fort McPherson, Georgia	4. PROJECT TITLE Command and Control Facility

5. PROGRAM ELEMENT 22698A	6. CATEGORY CODE 610	7. PROJECT NUMBER 1B300-52	8. PROJECT COST ($000) 41,000

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Primary Facility				33,000
Command & Control Building	SF	341,420	93.01	(31,757)
Solar			LS	(426)
Mechanical Equipment Room	SF	15,000	54.45	(817)
Supporting Facilities				4,065
Electric Service			LS	(602)
Water, Sewer, Gas			LS	(27)
High Temp w/Chilled w/Distribution			LS	(325)
Paving, Walks, Curb & Gutter			LS	(536)
Storm Drainage			LS	(37)
See Cost Estimate (Continued)				(2,538)
Subtotal				37,065
Contingency (5%)				1,853
Total Contract Cost				38,918
Supervision Inspection & Overhead (5%)				1,946
Total Request				40,864
Total Request (Rounded)				41,000
Installed Equipment - Other Appropriations				

10. DESCRIPTION OF PROPOSED CONSTRUCTION Construction of a permanent, fire resistant, three-story building with full basement complete with required utilities services, communications, fire protection, parking areas, streets, and site improvements. Work includes provision of a new electric power substation and a central energy plant as a part of this project. Provisions for the handicapped will be provided. Demolish 41 temporary buildings (214,623 SF) and two permanent buildings (72,227 SF). Not sited in a flood plain. Air Conditioning - 1,020 Tons.

11. REQUIREMENT: 356,420 SF Adequate: 72,209 SF Substandard: 354,096 SF

PROJECT: Construct a command and control facility at Fort McPherson.

REQUIREMENT: This project is required to provide a permanent, adequate, operationally efficient administrative facility for Headquarters, US Army Forces Command. This facility will replace the multiplicity of functionally inadequate and structurally deteriorating facilities now in use. This facility is mission essential to provide accommodations in which approximately 2,200 personnel employed by the headquarters can effectively perform their duties. The scope of this project comprises only the bare minimum of spaces required for offices and special purpose areas clearly related to and justified by the mission of the headquarters in execution of its command and control responsibilities.

CURRENT SITUATION: Headquarters FORSCOM is presently scattered over a 46 acre area in 51 separate buildings, 41 of which are World War II temporary wood frame troop barracks that have been converted to office space. None of these temporary structures are insulated and thus require excessive energy use for heating and cooling. Lighting levels

1. COMPONENT ARMY	FY 19^{83} MILITARY CONSTRUCTION PROJECT DATA	2. DATE 1 Mar 1982

3. INSTALLATION AND LOCATION
Fort McPherson, Georgia

4. PROJECT TITLE Command and Control Facility	5. PROJECT NUMBER 1B300-52

9. COST ESTIMATES: (Continued)

Item	U/M	Unit Cost	Cost ($000)
Supporting Facilities (Continued)			
Site Improvement		LS	613
Demolition		LS	1,476
Communications		LS	439
Diesel Fuel Tank		LS	8
Fencing		LS	2
		Total	2,538

11. REQUIREMENT: (Continued)

REQUIREMENT: (Continued)
are inadequate for office use, and plumbing has deteriorated. The policy of minimum essential maintenance and repair practiced on these buildings since their construction has in effect, established a condition of controlled deterioration that has now reached the point where the buildings are no longer structurally sound nor economically feasible to keep in service. Dispersal of the buildings results in delay in coordination between activities, generates unnecessary duplication of normal office functions and equipment and intensifies security risk and compromise of classified material when transferred between buildings.

IMPACT IF NOT PROVIDED: Headquarters FORSCOM will continue operations in the existing facilities under conditions that adversely affect mission accomplishment, morale and retention of employees and troops.

PREVIOUS EDITIONS MAY BE USED INTERNALLY
UNTIL EXHAUSTED

General DELBRIDGE. Sir, I want to correct what I said a moment ago. I said we were 35 percent design. We have completed the study and we are not at 35 percent design, but we are at the stage that should we go under design we would be able to award the contract within the 1983 timeframe. That portion is correct, but we are not at 35 percent design. That was in error.

Senator MATTINGLY. What is the cost estimate for the balance?

General DELBRIDGE. The cost estimate at the present time is about $41 million.

Senator MATTINGLY. Would your recommendation be that we add it in fiscal year 1983?

General DELBRIDGE. Sir, I cannot make that recommendation. Our program, as submitted by the administration of course, as you well know, is a balanced program and that will be a decision by the Congress.

EFFECTS OF DAVIS-BACON ON MILITARY CONSTRUCTION COSTS

Senator MATTINGLY. Mr. Farbrother, what is your area of responsibility in reference to Davis-Bacon as it applies to military construction? Does it in fact drive up the cost?

Mr. FARBROTHER. I think there is no doubt that the implementation of the act as it has been in the past does increase our cost. I am anxious to do anything that I can to change the way the act is administered to reduce those costs.

Senator MATTINGLY. Aren't they all out of synchronization with the area rates? I mean where the sites are located?

Mr. FARBROTHER. I am not an expert on that. I think there is a tendency for any of those kinds of systems to get out of synchronization. Perhaps Admiral Zobel has more information.

Admiral ZOBEL. They are not all out. We find primarily in those areas where the contractors are all union, they generally follow what the Davis-Bacon wage rates are.

In other areas where there are nonunion contractors you find there are variances from what is probably the area standard wage.

Senator MATTINGLY. Then I will ask you, Admiral, and you, Mr. Farbrother, to get those figures together because from the figures that I see, the prevailing rate is not the same. That is exactly what Senator Thurmond was saying, there is, in fact, a tremendous variance.

Why don't you pull where military construction is going on and get a comparable rate in the area, what that site is now currently paying versus what those rates are in those areas. I am sure you can get those as well as I can get them.

I think it would be a fair comparison and maybe something we can use to show what the tremendous variance is.

As the Admiral says, there probably are some areas where they are the same rates, but it is where the discrepancies are that is driving up the cost of those projects.

Mr. FARBROTHER. I don't think there is anyone in disagreement here over the fact that it does drive up our costs and we need to change that. There is disagreement of course over the method for making the change.

Senator MATTINGLY. Last year Senator Thurmond, Senator Nickles, and myself, had a modification to open it up on one end or get new people to try to come in at apprentice levels and some other features.

If you could make a study it would be interesting to take a look at it. If you don't have them readily available it is not going to cost you a lot of time and effort.

Mr. FARBROTHER. I will be glad to provide anything that we have.

Senator MATTINGLY. We are on the bridge of being able to drive down the cost of the military construction budget to put money in those areas that you are requesting now. We are talking about being able to convince about seven more people in the Senate to get it done. The vote last year was 42 to 55. So all we need to do is convince *x* number of people right now to come that way.

It is fair now not only to the taxpayer, but it is fair to the union people and it is fair all the way across the board. It needs one last little increment to push it over. I think it would be in those areas where there are wide discrepancies in the pay.

Any information you can give us I will be happy to use on the Floor of the Senate to convince people. I don't want to hold you accountable for it.

Mr. FARBROTHER. I will provide what I can for the record.

I also would like to put in the record some estimates of how soon savings could be received either under repeal or some change. It would take some time and we could err on the side of haste.

Senator MATTINGLY. Also we are erring on the side of waste of money right now.

Mr. FARBROTHER. I believe so.

Senator MATTINGLY. There is no doubt we are wasting money by application of that legislation. To be fair to the taxpayers, err on the other side for a while.

[The information follows:]

DAVIS-BACON ACT—SUPPLEMENTAL INFORMATION

Once changes to the Davis-Bacon are made, either by reform or repeal, we would assume that they would be applicable at that date. Potential savings would fall into two categories; those that are to be achieved through federal action such as more appropriate wage rate determinations, and those that are to be achieved through contractor actions such as a greater use of unskilled craftsmen. There is no way to estimate how soon or if the contractor initiatives are to be taken, with subsequent savings being passed on to the government. New wage rate determinations would require several months before savings would be realized. The DOL would have to make these determinations and we do not have an estimate as to when they would be available. It could take perhaps 90 days or more before these new wage rates are determined. They would then apply only to new contracts. Because the contracting process includes notification in the Commerce Business Daily, a bid period, bid opening and bid processing another 90 days would transpire before we would expect to see any savings passed on in our new contracts.

WORLD WAR II FACILITIES

Senator THURMOND. I have a couple questions on World War II facilities.

Military bases around the country still have many facilities built before and during World War II. These facilities, built of wood to last for 5 years, are a major liability today. They are dangerous and will burn like a pile of tinder. They are energy inefficient. Yet every base, especially Army posts, has these World War II buildings. The Services cling to these facilities and won't tear them down.

Fort Jackson in my home State has literally dozens of these firetraps that house, not only basic trainees, but career soldiers—noncommissioned officers. I would like to see all of these World War II wood buildings torn down.

Isn't there some way that you can get this done?

Mr. FARBROTHER. Yes, Senator, we are trying to get much of that done.

As I mentioned, with our spending in 1983 we plan to reduce our construction backlog and much of what you are speaking of is included in that by some $3 billion. It is going to take an enormous investment over a long period of time to correct all of that.

Some of those facilities we will, of course, want to keep, not tear them down, but keep them for mobilization purposes because even though they may be unfit for regular day-to-day use we would want to have them in the event of an emergency.

Senator THURMOND. What would be your position on a legislative requirement to tear down World War II buildings by some date in the future, say by 1990, for instance?

Mr. FARBROTHER. I would have to get an estimate of the construction replacement cost. I believe that it would be an awful expensive proposition. As I mentioned, some of them we would want to keep and reserve for mobilization.

HIGH-COST FAMILY HOUSING LEASES

Senator THURMOND. The committee is concerned that the number of high-cost family housing leases in foreign countries continue to grow. Many of these costs are exorbitant. The taxpayer should not be asked to pay these costs.

I cite, for example, the DIA requirement to lease quarters for a colonel at $109,000 per year and for two sergeants at $87,000 per year in Argentina.

Will you provide for the record a listing of all leases for family quarters where the cost exceeds $20,000 per year?

Mr. FARBROTHER. Yes, sir. I will. Those two examples you cited are spectacularly troublesome. You won't find many such examples in the list I will provide.

[The information follows:]

DEPARTMENT OF DEFENSE FAMILY HOUSING LEASES COSTING IN EXCESS OF $20,000 PER YEAR

Position of encumbent	Country	Annual cost
Department of the Army:		
Defense Adviser, U.S. NATO	Belgium	$45,490
U.S. Representative of NATO Military Committee	do	42,923
Area Engineer, Oman	Oman	39,600
Deputy Area Engineer, Oman	do	39,600
Assistant Director, Command, Control and Communications Systems, International Military Staff, Headquarters, NATO.	Belgium	39,483
Deputy Chairman, NATO Military Committee	do	36,541
Deputy Director, NATO Integrated Communications Systems Management Agency.	do	35,009
Deputy Defense Adviser, U.S. NATO	do	30,686
Deputy U.S. Military Representative, Headquarters, NATO	do	28,696
Deputy Defense Adviser for Research, Engineering and Acquisition	do	26,316
Deputy General Manager, NATO Airborne Early Warning and Control System (AWACS) Program Management Agency.	Netherlands	25,559
Deputy Chief of Staff, Plans and Policy Division, SHAPE	Belgium	23,512
Executive to Supreme Allied Commander, Europe (SACEUR)	do	22,727
Chief, Policy Branch, SHAPE	do	21,972
Assistant Chief of Staff (Operations)	do	21,629

DEPARTMENT OF DEFENSE FAMILY HOUSING LEASES COSTING IN EXCESS OF $20,000 PER YEAR

Position of encumbent	Country	Annual cost
Department of the Navy:		
Deputy Chief of Staff for Operations, Plans and Policy, Commander in Chief, U.S. Naval Forces, Europe (CINCUSNAVEUR).	England	39, 627
Chief of Staff, Allied Forces, Southern Europe	Italy	33, 267
Commander, Allied Air Forces, Southern Europe	do	32, 799
Commander, Iberian Forces, Atlantic	Portugal	32, 343
Commander, Middle East Force, Administrative Support	Bahrain	28, 047
Assistant Chief of Staff (Plans and Policy), Allied Forces, Southern Europe	Italy	27, 084
Commander, 6th Fleet (COMSIXTHFLT)	do	27, 136
Deputy Commander in Chief, U.S. Naval Forces, Europe	England	24, 465
Chief of Staff, Commander Allied Air Forces, Southern Europe	Italy	24, 020
General Development Officer, AID	Indonesia	23, 700
Deputy Commander Strike Force Southern Europe	Italy	23, 592
Assistant Chief of Staff (Logistics) Allied Forces Southern Europe	do	22, 608
General Development Officer, AID	Indonesia	22, 128
Deputy Chief of Staff (Logistics), CINCUSNAVEUR	England	21, 872
Commander, Fleet Air Mediterranean	Italy	21, 840
Commanding Officer, Naval Support Activity, Naples	do	21, 096
Commander, Submarine Group 8	do	21, 035
Commanding Officer, U.S. Naval Communications Station	Greece	20, 412
Department of the Air Force:		
Co-Director, United States-Spanish Combined Military Coordination and Planning Staff.	Spain	34, 200
Air Deputy, Allied Forces, Northern Europe	Norway	26, 400
DOD Political-Military Attache	England	20, 800
Defense Intelligence Agency:		
Operations Coordinators, U.S. Defense Attaché Office (DAO)	Nigeria	84, 140
Defense/Army Attaché, DAO	do	82, 750
Air Attaché, DAO	do	82, 750
Defense/Army Attaché, DAO	Saudi Arabia	53, 240
Do	Algeria	53, 200
Naval Attaché, DAO	Saudi Arabia	49, 640
Assistant Air Attaché Liaison Officer, DAO	Hong Kong	47, 980
Assistant Air Attaché, DAO	Saudi Arabia	45, 775
Assistant Army Attaché, DAO	do	45, 495
Air Attaché, DAO	do	44, 390
Assistant Army Attaché Liaison Officer, DAO	Hong Kong	49, 978
Operations Coordinator, DAO	Algeria	37, 430
Do	Yemen	36, 300
Naval Attaché, DAO	Italy	35, 170
Air Attaché, DAO	Oman	34, 120
Defense/Army Attaché, DAO	Syria	33, 000
Defense/Naval Attaché, DAO	Senegal	32, 632
Defense/Army Attaché, DAO	Yemen	32, 440
Do	Ivory Coast	31, 460
Intelligence Assistant, DAO	Saudi Arabia	31, 335
Do	Poland	31, 350
Defense/Army Attaché, DAO	France	31, 200
Do	Cameroon	30, 630
Intelligence Assistant, DAO	Hong Kong	29, 750
Do	Senegal	28, 925
Do	do	28, 925
Operations Coordinator DAO	Sudan	28, 120
Air Attaché DAO	Singapore	28, 010
Assistant Naval Attaché DAO	Japan	27, 666
Operations Coordinator DAO	Ivory Coast	27, 180
Defense/Air Attaché DAO	Czechoslovakia	27, 070
Army Attaché DAO	do	26, 910
Air Attaché DAO	Romania	26, 114
Army Attaché DAO	Japan	25, 780
Operations Coordinator DAO	Sudan	25, 500
Defense/Naval Attaché DAO	Oman	25, 050
Air Attaché DAO	Malaysia	24, 943
Army Attaché DAO	Italy	24, 573
Air Attaché DAO	Denmark	24, 560
Attaché Specialist (Intelligence) DAO	Ivory Coast	24, 220
Operations Coordinator DAO	Syria	23, 835
Defense/Army Attaché DAO	Sudan	23, 688
Defense/Naval Liaison Officer DAO	Hong Kong	23, 565
Air Attaché DAO	Singapore	23, 490
Air Attaché DAO	Italy	23, 300
Defense/Army Attaché DAO	Romania	22, 889
Assistant Army Attaché DAO	Japan	22, 461
Do	Jordan	20, 800
Intelligence Assistant DAO	Japan	20, 495
Do	Oman	20, 100
Do	Sudan	20, 000
Army Attaché DAO	Philippines	20, 000

Senator **Thurmond**. Are you taking any steps to correct this situation?

Mr. **Farbrother**. Yes. We are very troubled with this. We avoid trying to get into a lease situation at such expense. If there is an alternative we take it. When it comes time to renewing such leases we have the commanding officer in place make sure that those facilities are not larger and more ostentatious than similar facilities occupied by, say, State Department employees.

Senator **Thurmond**. It might be cheaper to buy them than to pay that kind of rent.

Mr. **Farbrother**. It would seem so in some cases.

Senator **Thurmond**. Would you look into that carefully because the American taxpayers don't understand why this takes place. One item like that can be cited by opponents of defense to show extravagance in the Defense Department. Those of us who stand for defense have to answer those charges.

Mr. **Farbrother**. I understand what you are saying. I agree and I will take a personal look at that.

AGRICULTURAL AND GRAZING LEASES

Senator **Thurmond**. How about agricultural and grazing leases? Many installations lease some of their land for agricultural or grazing purposes.

How widespread is this practice and what is done with the proceeds from these leases?

Mr. **Farbrother**. About one-third of our military bases have some sort of leasing arrangement like that. Any cash proceeds are returned as the general receipts to the Treasury. The miltary departments do enter into noncash agreements where the leasing party provides some service to the base in return, but any cash proceeds go to the Treasury.

Senator **Thurmond**. What would be your position on legislation that would permit the proceeds from such leasing to be used by the installation to cover costs associated with the leasing and then any profits could be used for land management purposes or perhaps be returned to the service to be used in some other fashion?

Mr. **Farbrother**. I believe it would be helpful if costs could be covered out of proceeds. I think as far as any profit going to the service right now, the administration's position would be very much like it is in the sale of real property, that those moneys ought to go to the Treasury to reduce the debt.

Senator **Thurmond**. Is there anything else you would like to say in open session?

Mr. **Farbrother**. Senator, I don't have anything to add.

Senator **Thurmond**. We will now go into executive session. The room will be cleared except for those who are cleared to remain and have reason to remain.

[Whereupon, at 11:20 a.m., the hearing was recessed, to reconvene in executive session.]

EXECUTIVE SESSION

Senator **Thurmond**. I will ask the services to check to see that everyone present has the proper clearances. Mr. Farbrother, tell me when you are ready.

Mr. **Farbrother**. We are ready, sir.

LONG-RANGE SECURITY PROGRAM

Senator **Thurmond**. Now I have a few questions on the long-range security program.

Several years ago, at the prodding of this committee, the Defense Department undertook a program to update the physical security of sites where nuclear and chemical weapons are stored. Reports have reached the committee that this program is in serious trouble. Upgrading has seriously lagged, especially in the area of electronic sensors.

I can't emphasize strongly enough the dire consequence that would result if some terrorist group was to get its hands on a nuclear or a chemical weapon.

Can you give us a status report on this effort, and tell us what you are doing to get this work expedited?

Mr. **Farbrother**. Yes, sir. The program is not moving as rapidly as we want. Let me break it into its parts and explain to you where it stands. I will talk about the Continental United States, the Pacific region and Europe, and also within that the civil works kind of projects that go into it.

Senator **Thurmond**. Do you want to supply a full report to answer that question for the record?

Mr. **Farbrother**. Yes, if that would simplify things.

Senator **Thurmond**. I would like to have a complete report on it.

Mr. **Farbrother**. All right.

[The information follows:]

There are currently [deleted] sites in the civil construction portion of the upgrade program and [deleted] sites requiring the installation of sensor systems.

Civil construction is complete or ongoing at all CONUS and Pacific storage sites [deleted]. Likewise, the installation of the intrusion detection systems at the CONUS and Pacific storage sites is complete or ongoing [deleted].

In Europe, the U.S. prefinanced civil construction is complete or is nearing completion at all U.S. sites. The installation of the sensor systems [deleted] has been completed.

TERRORIST THREATS

Senator **Thurmond**. What information do you have on the terrorist threat against special weapons?

Mr. **Farbrother**. A brief answer is that in the future we expect that the threat will be larger and better trained and more inclined to [delete] than currently or in the recent past.

I will provide a more complete answer for the record.

[The information follows:]

We have been working closely with [deleted] to expedite this program. We believe that the United States is taking all appropriate steps within [deleted] to get the program back on track. The sites which were experiencing the [deleted] are in the process of being reprogrammed into [deleted]. The [deleted] are completing site designs and forwarding them to [deleted] for approval and fund authorization. Given this approval, contracts will be let by the [deleted].

Senator THURMOND. We understand that the terrorists that kidnaped General Dozier said they are going to get some nuclear weapons. Do you have information on that?

Mr. FARBROTHER. No, sir.

Senator THURMOND. Will you look into that and find out if that is the case?

Mr. FARBROTHER. I will, and I will include that in the record.

[The information follows:]

The threat has been defined as an attack by a well-trained, dedicated, paramilitary force [deleted]. We believe that the threat in the future will be larger, better-trained forces which are more inclined toward [deleted] than the current or past terrorist groups.

The kidnappers of General Dozier expressed [deleted] and led us to our belief that the threat in the future will be more inclined toward [deleted].

Senator THURMOND. It might cause you to pause and think a little more as to what additional steps need to be taken.

Mr. FARBROTHER. We agree, it is a very serious problem.

Senator THURMOND. Is there anything that Congress needs to do to get this program expedited?

Mr. FARBROTHER. In every contact that you make with our European allies, you can stress the extreme importance of this. That is what we are doing and all the high members of the administration are doing, and your help would certainly be appreciated.

Senator THURMOND. Is there anything that the Congress needs to do?

Mr. FARBROTHER. Except for stressing the importance in any contacts you have with our European allies, there is nothing more that I feel we can do right now.

Senator THURMOND. The burden is primarily on the executive branch?

Mr. FARBROTHER. And our allies.

Senator THURMOND. Do you have the funds you need?

Mr. FARBROTHER. We have the U.S. funds that we need.

Senator THURMOND. This matter is so important now. I am giving you an opportunity now to ask for what you want, or explain anything you need. If anything happens, the responsibility is on the executive branch unless you ask us to do something and we fail to do it.

General WRIGHT. Mr. Chairman, if I may add one thing that maybe you need to understand: The problem, as I understand it, in Europe has to do with the NATO international staff establishing and defining criteria for the intrusion detection system to be purchased and installed at nuclear weapons storage sites at other than U.S. installations in NATO countries.

The balance of the program as executed by the services on the bases that we have has been satisfactorily completed. I know it has for the Air Force. I don't want to state for the other services, but I think that it is done.

So, the problem is being worked very hard by the Defense Department, the Air Force, Navy, Army, and the Marines.

I think it is a matter now of keeping the pressure on NATO to work on this problem. We are doing that. We would appreciate the support of the Congress any time that an occasion arises or you have that opportunity to help us; funding is not the problem.

HONDURAS

Senator **Thurmond**. Now we will pass on to construction in Honduras.

Discuss your plans for construction in Honduras and what are you planning to build and why.

Mr. **Farbrother**. All our plans are preliminary, awaiting the signing of an agreement which will grant us access rights to certain Honduran airfields and materials for improving and extending the airfields.

The types of construction projects we are considering are runway improvements, taxiways, parking ramps, fuel storage capacity expansions, and increased physical security. Access to those fields will enhance the safety and efficiency of our current operations in the region by providing modern alternate airfields [deleted].

Senator **Thurmond**. Do we have a signed country-to-country agreement with Honduras that will guarantee that we can use these facilities if we build them?

Mr. **Farbrother**. We do not have an agreement as yet. The Hondurans agree that such an agreement is needed—both we and the Hondurans agree that such an agreement is needed. There is a team working on it and we expect it to be completed in about a month.

Senator **Thurmond**. There is no use in having these facilities there and spending a lot of money on them if you can't use them.

Mr. **Farbrother**. We will not proceed until we have an agreement.

Senator **Thurmond**. Has any design work been done on this construction, and could you spend any money in fiscal year 1983 if it were appropriated?

Mr. **Farbrother**. We have sent a survey team to Honduras. The trip report suggests that the type of projects we should concentrate on are those that I have noted. We have not done any design work and will not until we have a signed agreement in hand.

As I said, that should be within a month. This is in accordance with the Hondurans' desires, also.

Because of the type of construction we are contemplating, that is, alterations to existing airfields, we could have construction underway in fiscal year 1983.

Senator **Thurmond**. Some of this information about Honduras has been in the press. I am wondering how much of this is classified?

Mr. **Farbrother**. The information I have just given you is not classified.

EGYPT

Senator **Thurmond**. Now I want to turn to Egypt.

Where do you stand on your construction plans for Egypt?

Mr. **Farbrother**. Most of the plans for Egypt are centered around Ras Banas. We intend to use the Secretary of Defense's contingency authorization for $7 million to initiate mobilization activities and mine removal. We should be advertising this effort in early May. We have also included $106 million in our 1982 supplemental request, and that is about 95 percent designed.

Our 1983 program includes another $178.6 million which is about 40 percent designed.

In addition to Ras Banas, we have a small amount—about $15 million—requested to improve distribution of fuel within the Cairo area.

Senator Thurmond. Currently your plans call for the use of Ras Banas on the Red Sea. I understand that President Mubarak, in his most recent visit to the United States, offered the use of [delete What exactly was his offer and how does it compare with Ras Banas?

Mr. Farbrother. While he was visiting the United States, President Mubarak made a comment about the use of [deleted]. It was unclear at that time whether this was a new offer or a reaffirmation of an old offer to use this airfield for contingencies only. He did not mention [deleted.]

Subsequent to his visit, we received clarifying messages from high sources in Egypt that the President was merely reaffirming the use of [deleted] as a contingency support facility. He said the use of Ras Banas as a rear stationing area is the only location [delete]. He reiterated this position in a recent visit with members of the House Armed Services Committee.

We did a study. The joint staff looked at the pros and cons of both Ras Banas and [deleted] and the result of the study shows that Ras Banas is still the preferred location.

Senator Thurmond. So you still feel that Ras Banas is necessary?

Mr. Farbrother. Yes, that is right.

Senator Thurmond. Even though you have [deleted].

Mr. Farbrother. The [deleted] airfield will be used for contingencies only. I will be glad to provide for the record the findings of the joint study, the pros and cons of those [deleted] locations.

Senator Thurmond. We want to save money if we can, so anything you can provide along these lines will be helpful.

Mr. Farbrother. Yes, sir.

Senator Thurmond. What are the comparative construction costs of Ras Banas versus [deleted].

Mr. Farbrother. In preparation for the military construction hearings this spring, and because Mubarak raised the matter during his most recent visit, the United States estimated the construction costs to upgrade [deleted]. This estimate was based on map studies, available intelligence, and personal knowledge of some of the engineers.

The same mission capability being planned for Ras Banas was used to develop the estimate for [deleted]. Without taking into account any of the required upgrade of the [deleted] facilities, the estimate for [deleted] was less than 3-percent different than Ras Banas.

If we were to include cancellation charges, resurvey and the port improvements at [deleted] would be more expensive to develop than Ras Banas.

Senator Thurmond. What are the comparative military considerations of Ras Banas versus [deleted].

Mr. Farbrother. The answer to that question will be rather lengthy in detail. I will be glad to provide that for the record.

Senator Thurmond. Will you provide that for the record?

Mr. Farbrother. Yes.

Senator Thurmond. Ras Banas is on the Red Sea [deleted]. When you consider this matter, we would like to have a full explanation.

Mr. Farbrother. Yes, sir.

[The information follows:]

The following compares [deleted].

The specific advantages and disadvantages of Ras Banas are:

Advantages	*Disadvantages*
General. [Deleted.]	[Deleted]

While [deleted] was mentioned in the discussion as one of the alternatives to Ras Banas it is not considered to be a feasible option for the following reasons: would require displacement of Egyptian [deleted] and international air traffic which would not be acceptable to the Egyptian government, [deleted].

[Deleted.] The airfield is located [deleted].

LAJES AIRFIELD

Senator **Thurmond**. Now, I have a few questions on Lajes. Where do you stand on your construction plans for Lajes Airfield?

Mr. **Farbrother**. We have a total of $66.6 million authorized and appropriated in the 1981 and the 1982 programs, but we are not obligating these funds because of language in the conference reports which require the Government of Portugal to provide assurances that these facilities could be used for their intended purposes. Efforts to obtain such assurances are included in the ongoing base rights negotiations.

We are also requesting $55.7 million in the 1983 program to complete the RDF, Rapid Deployment Force, initiative at Lajes.

The design of the full 3-year program has progressed sufficiently to allow award of the contract as early as July.

We are in the final phase of selecting a contractor; however, we can't proceed with the construction unless Congress removes the restriction or until the negotiations are complete.

Senator **Thurmond**. What is the status of the country-to-country agreement regarding the use of Lajes?

Mr. **Farbrother**. As you probably are aware, the present agreement expires in 1983. We are currently engaged in negotiations with the Government of Portugal, and we are hopeful that a new agreement can be worked out before the old one expires.

Since we can't proceed with contracting for the new work until we have an agreement, or unless Congress removes its restrictive language, we intend to ask the committee for authority to proceed with those items that are required to maintain the current capabilities at Lajes. That is the refurbishment items.

Again, we hope to have an agreement before the expiration date in 1983.

SOMALIA

Senator **Thurmond**. Now, on Somalia, where do you stand on your construction plans for Somalia. Compare the total funding costs by fiscal year that you estimated last year with your current total funding estimate and explain any differences.

Mr. **Farbrother**. Last year we estimated $24 million for Somalia and that included a quay extension for about $18.7 million which was based on using foreign contractors and materials.

With the congressional guidance that we should use American contractors and materials for contracts over $5 million, that estimate had to be revised upward by about $10 million, so that now, in the 1983 program, we have that $10 million plus $20 million or more for newly identified fleet requirements.

As for where we stand on the construction plans, the initial construction in Somalia that was in the 1981 program, was awarded last October to a Somalian contractor. Beneficial occupancy should be this August.

The 1982 portion of the program, the $24 million, is currently under design, and the earliest award would be in May of this year. All the items should be awarded by September.

The 1983 portion of the program is in the design phase.

Senator THURMOND. Is there anything else you would like to say while we are in executive session?

Mr. FARBROTHER. General Wright has a statement to make.

LAJES CONSTRUCTION

General WRIGHT. Mr. Chairman, I would like to go back to Lajes for a second, if I may, and speak to the restriction that Congress has imposed on us in proceeding with construction of projects that are in the 1981 and 1982 program.

We are seeking your approval, probably within the next couple of weeks, to proceed with about $33 million worth of projects that are not being held up by the Government of Portugal. We would solicit your help in granting us the approval to move on those very important projects.

Senator THURMOND. These are to do what?

General WRIGHT. We are not held up by the Government of Portugal on about $33 million worth of work in the 1981 and 1982 programs. We are held up by a restriction imposed by the Congress.

We would like to proceed with those projects and we will be asking within the next couple of weeks your approval to go with those projects. This is not new work or expansion; this is refurbishment and upgrade of existing facilities.

Senator THURMOND. Do you think it is wise to spend millions of dollars there when we might not end up with an agreement?

General WRIGHT. Lajes has been—and we feel it will continue to be—a very important link to the through-put of airlift into Southern Europe.

Senator THURMOND. No question about that. That is not the question I asked.

General WRIGHT. Yes, sir, I think it is a risk that is worth taking.

Senator THURMOND. In other words, you think it is worth the risk to go ahead before we get an agreement?

General WRIGHT. We have an agreement. I think it is a matter extending the existing agreement.

Senator THURMOND. It expires, doesn't it, the one you have now? You want to spend more money before we get another agreement?

General WRIGHT. We feel that the agreement will be extended.

Senator THURMOND. You feel that way, but maybe Portugal does not feel that way.

When are we going to know? Why don't you go ahead and work the agreement out so that we will know where we stand?

General Wright. I think the Portuguese are hung up more on the use of Lajes [deleted] that they are on a continuing U.S. presence at Lajes.

A lot of the work that we are seeking in the 1981 and 1982 program is not tied specifically to [deleted] of the use of Lajes.

Senator Thurmond. If we can't get an agreement for the use by [deleted] then they may never want to sign [deleted].

General Wright. Speaking for myself, I believe and I feel that the Portuguese will come around on the use of Lajes for these things.

Senator Thurmond. Why don't you talk to them and see if they will? They have not so far.

General Wright. The negotiations are ongoing now, of course, being conducted by others than myself. I am watching it as it progresses and I feel confident they will be successful.

Senator Thurmond. Does anyone else have any other comments? If not, we will reconvene tomorrow at 10 o'clock with the Army.

We will stand adjourned until then.

[Whereupon, at 11:40 a.m., the subcommittees were adjourned, to reconvene at 10 a.m., on Tuesday, April 20, 1982.]

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1983

MILITARY CONSTRUCTION CODIFICATION BILL

TUESDAY, APRIL 20, 1982

U.S. Senate,
Subcommittee on Military Construction
of the Committee on Armed Services,
Subcommittee on Military Construction
of the Committee on Appropriations,
Washington, D.C.

The subcommittees met at 10:04 a.m., in room 212, Russell Senate Office Building, Hon. Strom Thurmond (chairman of the Subcommittee on Military Construction, Committee on Armed Services) presiding.

Present: Senators Thurmond, Warner, and Exon.

DEPARTMENT OF DEFENSE

Department of the Army

STATEMENT OF BRIG. GEN. NORMAN G. DELBRIDGE, JR., ASSISTANT CHIEF OF ENGINEERS

ACCOMPANIED BY:

- **ALLEN M. CARTON, CHIEF, PROGRAMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS**
- **MAJ. GEN. NILES J. FULWYLER, DIRECTOR, NUCLEAR AND CHEMICAL DIRECTORATE, OFFICE OF DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS**
- **CECIL D. RICHARDSON, DIRECTOR, SYSTEMS TECHNOLOGY BALLISTIC MISSILE DEFENSE PROGRAM**
- **BRIG. GEN. JEROME B. HILMES, DEPUTY DIRECTOR OF FACILITIES AND ENGINEERING AND HOUSING, OFFICE OF THE CHIEF OF ENGINEERS**
- **BRIG. GEN. KARL D. McINTOSH, DEPUTY CHIEF, ARMY RESERVE**
- **BRIG. GEN. HERBERT R. TEMPLE, JR., DEPUTY DIRECTOR, ARMY NATIONAL GUARD**

OPENING STATEMENT OF SENATOR WARNER

Senator Warner [presiding.] Senator Thurmond is at the White House and requested that I open the hearing this morning. I will now read from his prepared statement.

This morning we resume our military construction hearings, focusing on Army programs. The Army's construction backlog is over $20 billion, the largest backlog among all the services. Yet, the Army's request for new construction for fiscal year 1983—about $1 billion—is the lowest request of any of the services.

Senator Thurmond expresses curiosity as to why the Army is applying for so little in this construction budget.

There are several issues in this Army program which are of very special interest:

First, the Army is proposing to proceed with the construction of facilities at Pine Bluff, Ark., to produce binary chemical munitions.

Second, the National Training Center at Fort Irwin, Calif., continues to receive significant funding.

Third, in Europe, the master restationing program has been well received by the German Government and it looks as if they may fund all or a significant portion of the cost.

Lastly, a new barracks design has been adopted by the Army which has significant impact for their barracks construction program now and in the future.

We hope to get into all of these issues and others as we examine the Army construction budget this morning.

It is our intention to go as far as we can in open session and to go into executive session only if we get into classified information. If we do get into classified information, I would propose that we hold off until the end of the session and consider all classified questions at that time.

None of my colleagues are here, therefore we will proceed. General Delbridge?

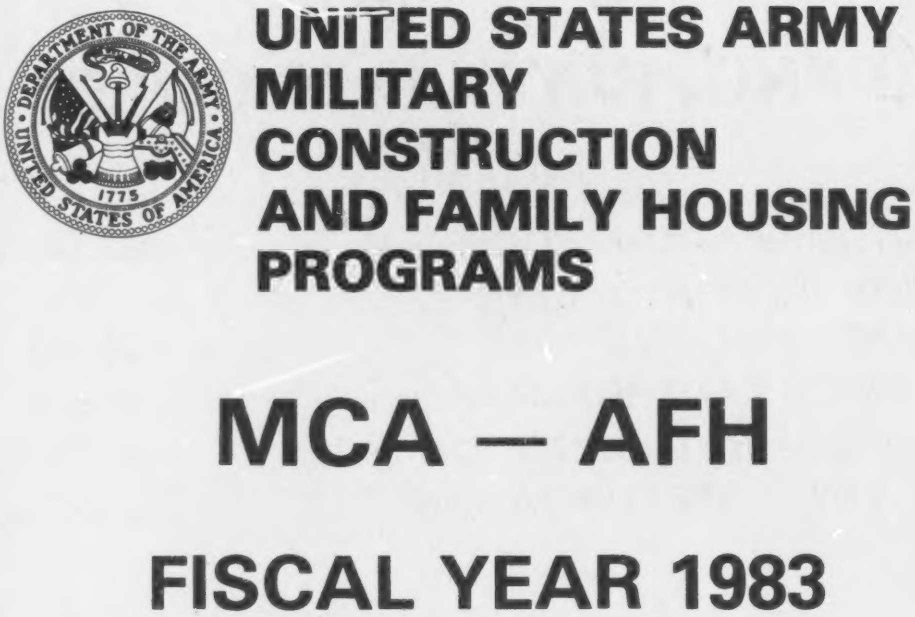
INTRODUCTION OF ASSOCIATES

General **Delbridge**. Thank you, Mr. Chairman. I am pleased to appear before this committee to present the Army's military construction program for fiscal 1983.

I am accompanied this morning by Mr. Allen Carton, Chief of the Programing Division from my office, who is sitting on my right; Maj. Gen. Niles Fulwyler, the Director of the Nuclear and Chemical Directorate, Office of Deputy Chief of Staff for Operations and Plans; Mr. Cecil D. Richardson, Director of Systems Technology Program, Ballistic Missile Defense Systems Command; Brig. Gen. Jerry Hilmes, Deputy Director of Facilities Engineering and Housing, Office of the Chief of Engineers; Brig. Gen. Karl D. McIntosh, Deputy Chief of Army Reserve; and Brig. Gen. Herbert R. Temple, the Deputy Director of Army National Guard who will make a presentation immediately following mine and then we will answer the questions together.

I have a statement, Mr. Chairman, which I would propose to put in the record in its entirety in the interest of time.

Senator **Warner**. It will be included.



UNITED STATES ARMY
MILITARY
CONSTRUCTION
AND FAMILY HOUSING
PROGRAMS

MCA — AFH

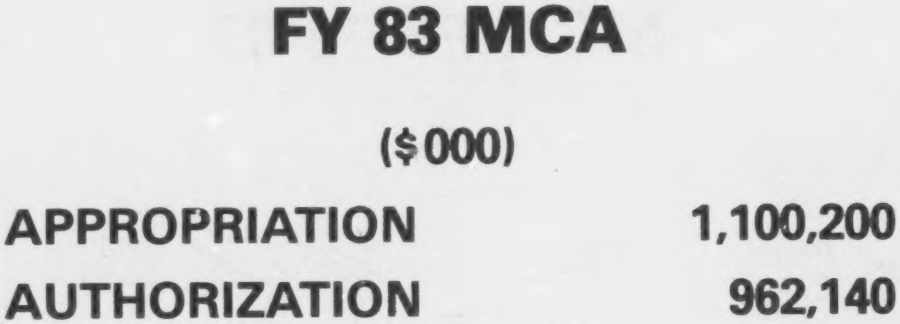
FISCAL YEAR 1983

SLIDE 1

OVERVIEW OF FAMILY HOUSING PROGRAM

General DELBRIDGE. I feel that it is important that we cover a broad overview of the Army's military construction program and its family housing program and I would propose to do that in a slide presentation and talk, essentially, from those slides, Mr. Chairman.

Senator WARNER. Thank you.



FY 83 MCA

($000)

APPROPRIATION	1,100,200
AUTHORIZATION	962,140

SLIDE 2

BUDGET REQUEST

General DELBRIDGE. The Army is requesting an appropriation of $1.1 billion and an authorization of $962,140,000.

FY 83 MCA APPROPRIATION REQUEST

($000)

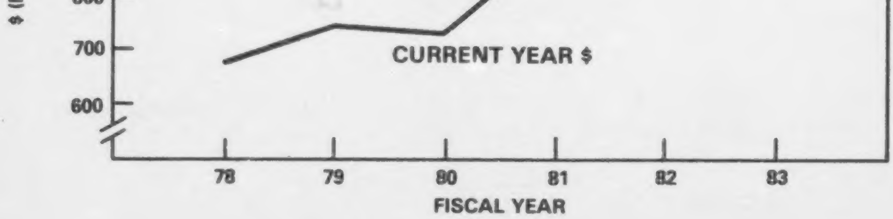
AUTHORIZATION REQUEST	$962,140
PROCUREMENT ARMY/ AMMUNITION (PAA)	−25,680
PREVIOUS AUTHORIZATION	+15,500
GENERAL AUTHORIZATION	+148,240
TOTAL APPROPRIATION	$1,100,200

Slide 3

PREVIOUSLY AUTHORIZED PROJECTS

The appropriation request is broken out as you see here. It includes not only the authorization request but an additional $15.5 million for a project previously authorized but not appropriated, a hangar at Fort Hood, Tex., and a general authorization of $148 million, which includes $145 million for planning and design, $30 million for exigent minor construction, and $20 million for a classified project. It does not include $25.68 million for which we are requesting authorization but which is appropriated by the Defense Appropriation Act.

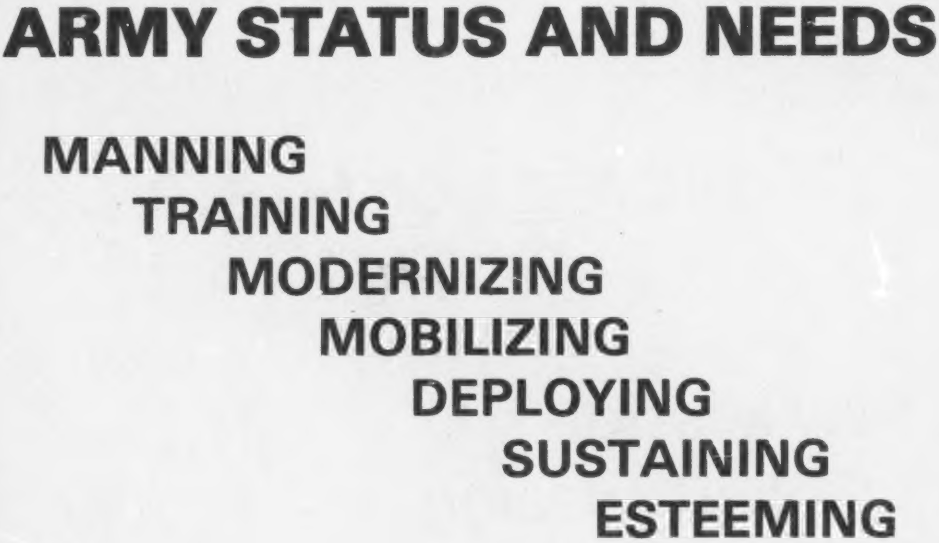
MCA FY 78-83



Slide 4

PROGRAM TREND

You will notice that the 1983 program continues an upward trend which started in fiscal 1981; however, if you look at the current year dollars, you will see that the growth is rather marginal or modest.



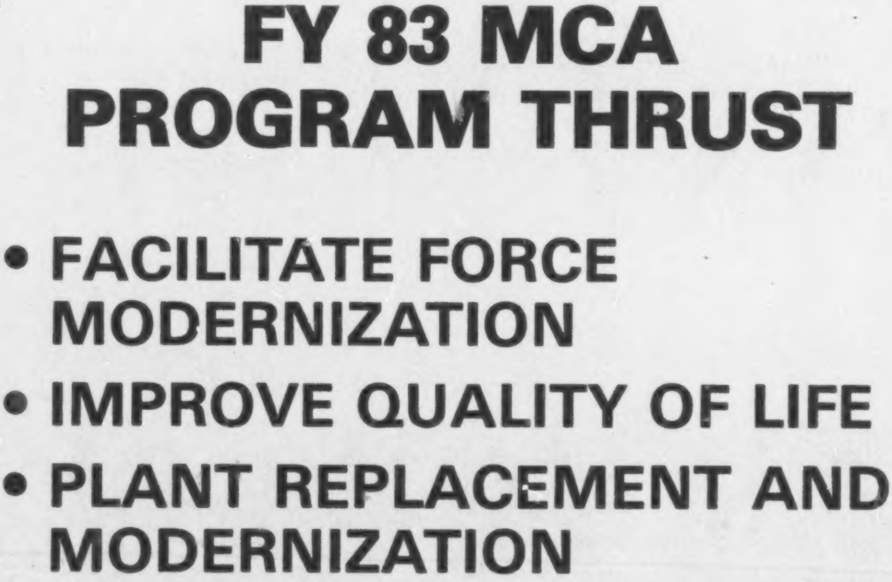
ARMY STATUS AND NEEDS

MANNING
TRAINING
MODERNIZING
MOBILIZING
DEPLOYING
SUSTAINING
ESTEEMING

SLIDE 5

NEED REQUIREMENTS

In fact, it is insufficient to meet all of the needs which the Secretary of the Army and the Army Chief of Staff identified when they appeared before the Congress with their joint 1983 posture statement.



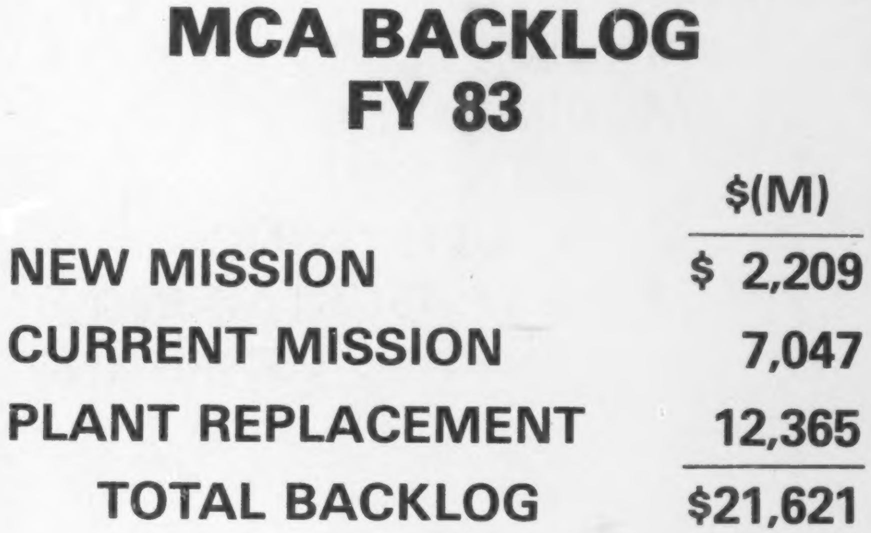
FY 83 MCA PROGRAM THRUST

- FACILITATE FORCE MODERNIZATION
- IMPROVE QUALITY OF LIFE
- PLANT REPLACEMENT AND MODERNIZATION

SLIDE 6

PROGRAM THRUSTS

To meet these needs within the fiscal constraints that have been placed upon us and to provide a balanced program, the thrust of our 1983 program is shown as you see here. Essentially, we plan to facilitate the introduction of the new equipment that is being fielded during these coming years—I will talk to that in a moment—to improve the quality of life of our soldiers and their families, and, at the same time, provide some plant replacement and modernization. Almost 60 percent of our program is tied up in those particular three program thrusts.



MCA BACKLOG
FY 83

	$(M)
NEW MISSION	$ 2,209
CURRENT MISSION	7,047
PLANT REPLACEMENT	12,365
TOTAL BACKLOG	$21,621

SLIDE 7

BACKLOG

Nevertheless, Mr. Chairman, the backlog which you mentioned in your opening comments is still very real. The Army's present backlog is $21.621 billion in 1983 dollars. With a real property inventory of $140 billion it represents a rather significant backlog and is increasing. As I come before this committee this year, the increase is about $4.5 billion over what we had when we came last year.

FY 83 MCA BY MISSION

	%	$(000)
NEW MISSION	46	$ 507,520
CURRENT MISSION	11	126,220
REPLACEMENT/ MODERNIZATION	26	288,220
EXIGENT MINOR	3	30,000
GEN. AUTHORIZATION	14	148,240
TOTAL REQUEST		$1,100,200

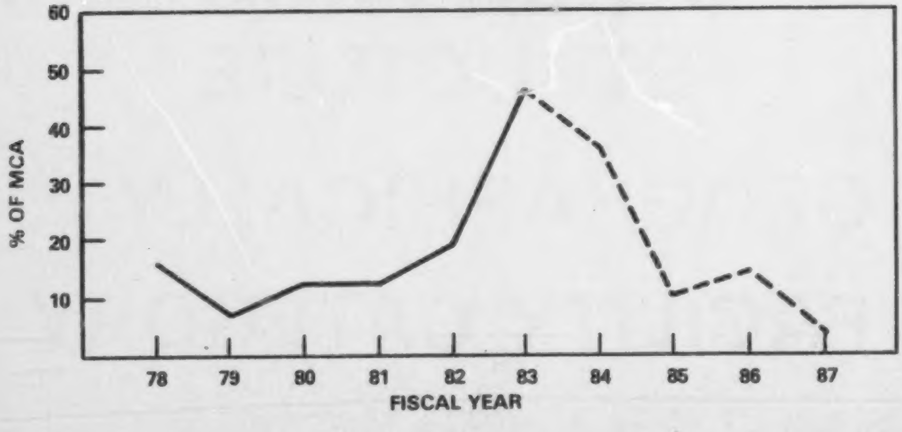
SLIDE 8

NEW MISSION BACKLOG

Our 1983 program is broken out as you see. The new mission area is the largest portion of $508 million, or 46 percent of the program. You will notice in the backlog chart that the new mission backlog is the smallest portion; in other words, our smallest backlog is really receiving the major emphasis as we are driven by the equipment fielding.

Contrary to that, you will notice that we are putting only 26 percent into plant replacement and modernization in this year's program. We would like for it to be bigger to address where our largest backlog is—which went up, incidentally, $2.7 billion in the last year; however, our program represents a balanced assessment and a balanced judgment of how we can best meet the Army's need within the constrained resources we have.

NEW MISSION % OF MCA

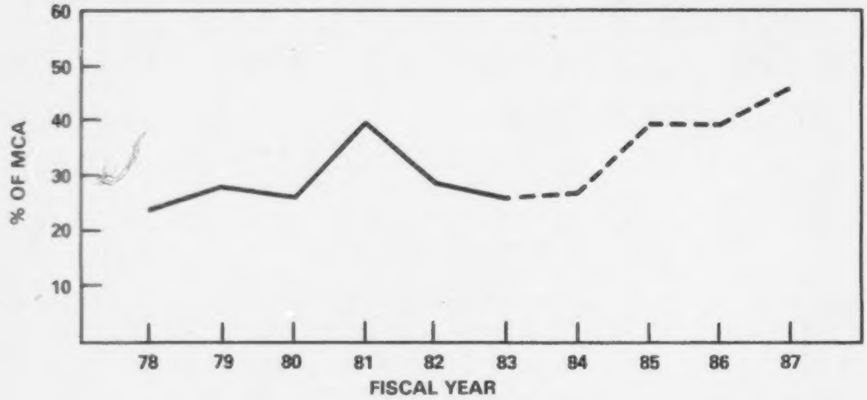


SLIDE 9

NEW MISSION AREA

Another way to look at the new mission area is shown on this curve. You will notice that it started to climb in 1982 and it peaks in 1983 and 1984. These dollars in our new mission area are for fielding new weapons systems in the 1984, 1985, and 1986 timeframe.

PLANT REPLACEMENT/ MODERNIZATION % OF MCA



SLIDE 10

PLANT REPLACEMENT AND MODERNIZATION

At the same time as the new mission curve is going up, you will notice that the plant replacement and modernization curve is taking a significant downward drop. As one goes up, the other goes down. But as we field these systems, the plant replacement and modernization curve will go back up and we will then begin to address properly this very important area. Again, the Army looks on this as a subjective balance.

FY 83 MCA PROGRAM STRUCTURE

GEOGRAPHICALLY

FACILITY CATEGORY

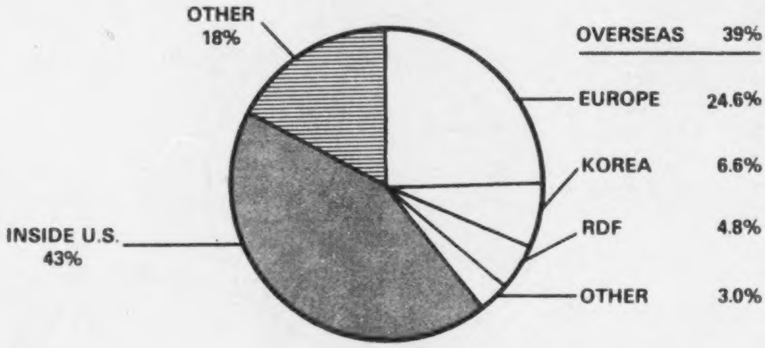
SLIDE 11

AREA CATEGORIES

Mr. Chairman, I would like to present our program in two broad areas, geographically and by facility category.

FY 83 MCA
INSIDE U.S. vs OVERSEAS

$1,100.2M

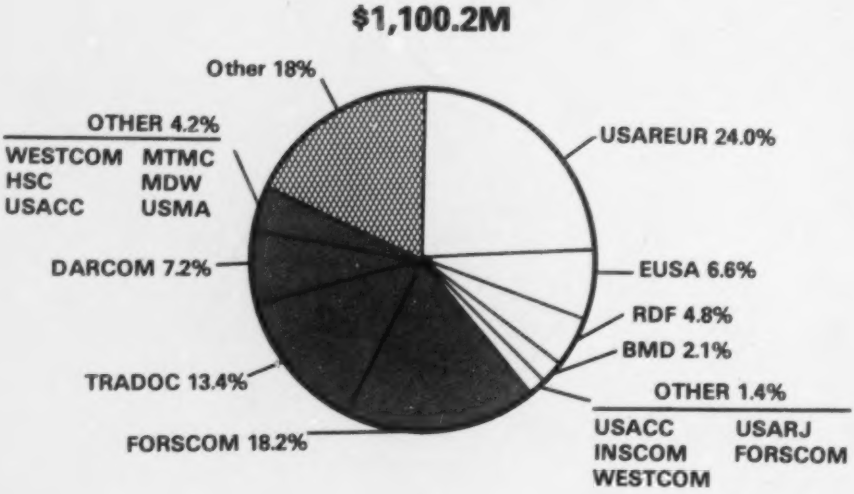


SLIDE 12

FOREIGN AND DOMESTIC PROGRAMS

First, take inside and outside the United States. Overseas, we have devoted 39 percent of our program, with the major portion going to Europe. Forty-three percent is going to those areas within the United States including Alaska and Hawaii. The "other" represents $198.2 million which includes $148 million for general authorization for planning and design; $30 million for exigent minor construction; and $20 million for a project at a classified location which Mr. Richardson will address later, if you desire.

FY 83 MCA BY MACOM
INSIDE U.S.
$473,190,000



Slide 13

U.S. PROGRAM

First, let us take a look at what our program consists of within the United States. We are requesting a total of $473.19 million, 43 percent of the program. As you notice, the major portion goes to forces command.

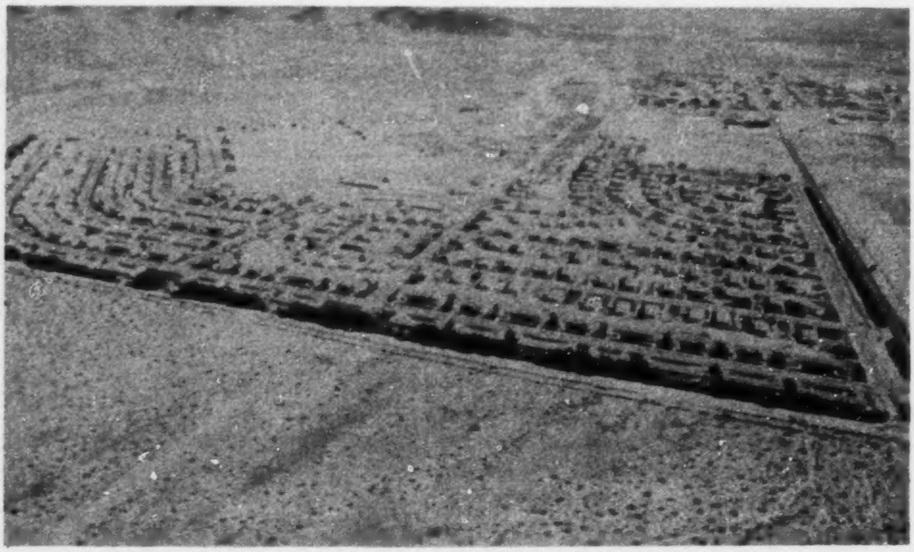
FY 83 MCA INSIDE U.S. BY MACOM

FORSCOM	$200,590,000
TRADOC	146,890,000
DARCOM	79,470,000
WESTCOM	20,730,000
HSC	17,150,000

SLIDE 14

AMOUNTS ALLOCATED WITHIN UNITED STATES

This chart indicates the various amounts allocated to commands within the United States.

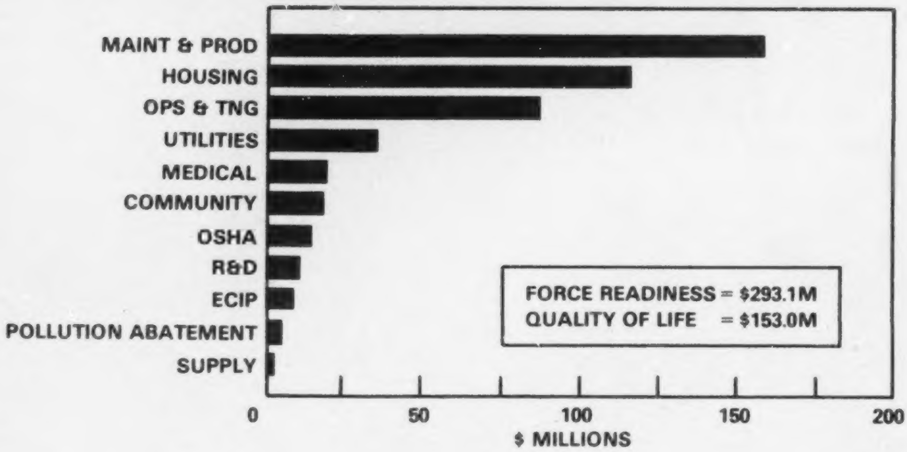


SLIDE 15

NATIONAL TRAINING CENTER

Earlier the committee staff asked about Fort Irwin and the National Training Center. I will cover that at this time because it is within FORSCOM, which receives the major portion of the funds within the United States. Projects at the National Training Center in the 1983 program total $31.34 million which is the third largest installation dollar total inside the United States and includes additional roads, a dining facility, ranges, and a physical fitness center. They represent the second year of a multiyear funding program for the National Training Center whose total cost, as we see it now through 1987 is $127 million.

FY 83 MCA INSIDE U.S.
BY FACILITY CATEGORY

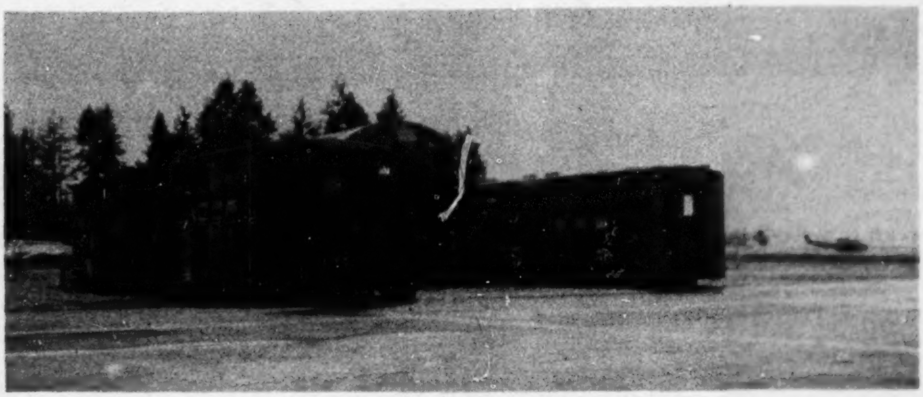


SLIDE 16

FACILITY CATEGORIES

Taking a look at the facility categories within the United States, 62 percent or $293 million is dedicated to force readiness. Force readiness includes maintenance and production, operations and training, utilities, research and development and supply facilities. A third of the program, $153 million, is devoted to improving our soldiers' quality of life, his housing, medical and community facilities.

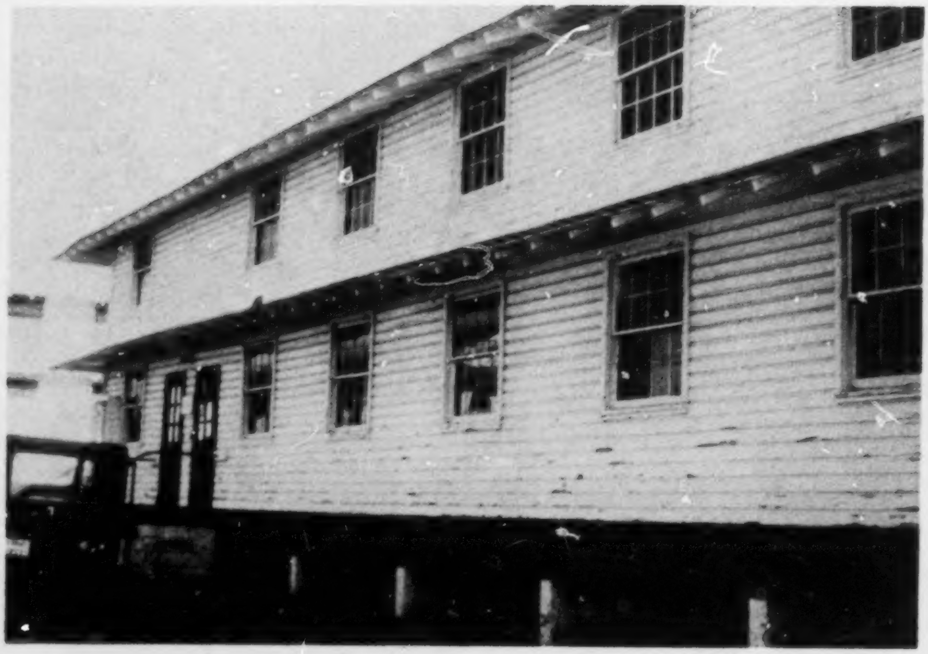
Slide 17



Slide 18

INSTALLATION FACILITIES

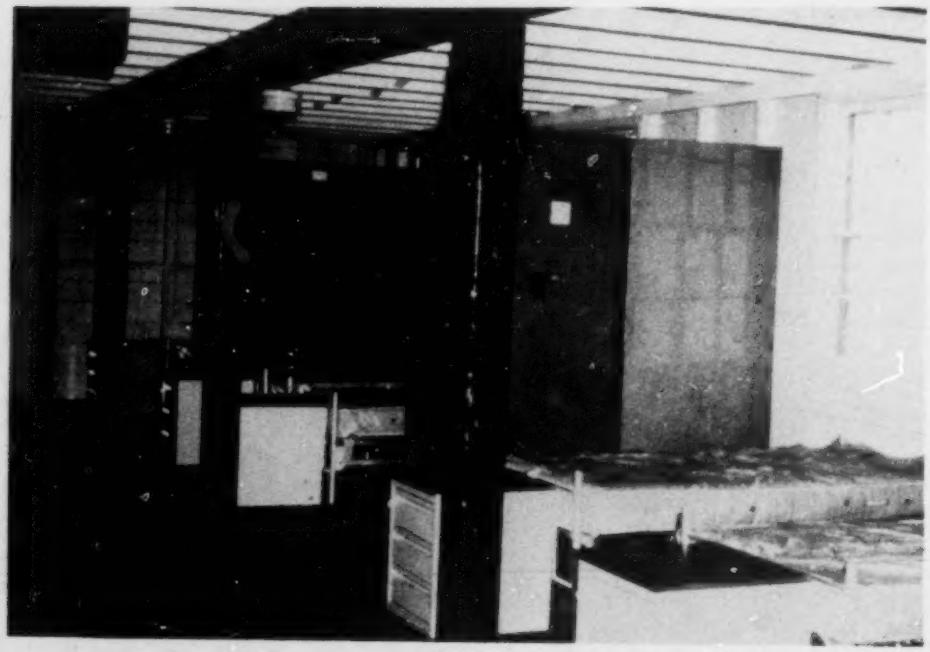
Within the United States our program will provide facilities to correct deficiencies such as this maintenance facility at Fort Stewart, Ga., and this temporary hangar at Fort Lewis, Wash.



SLIDE 19

HOUSING AREA

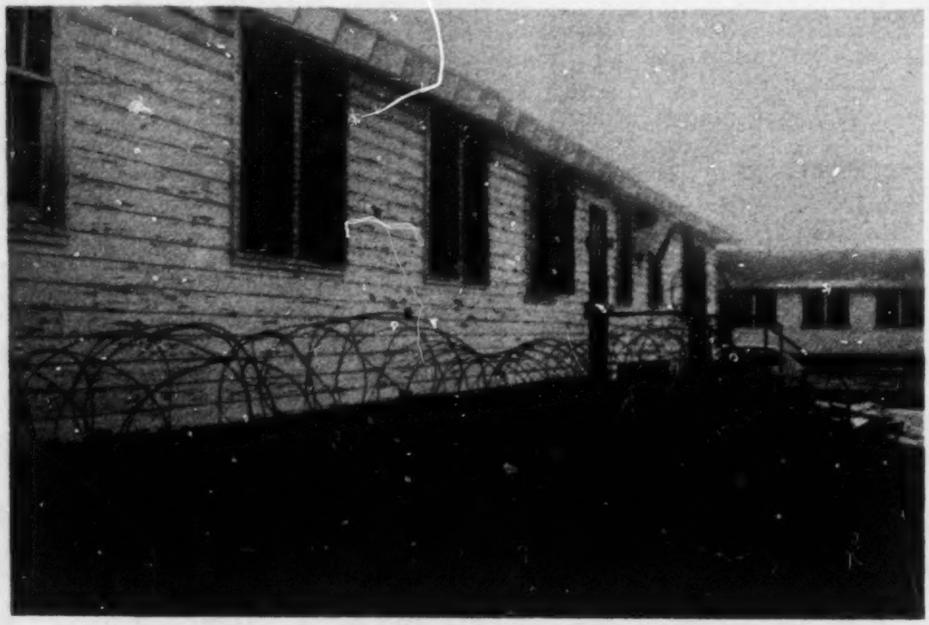
In the area of housing, we plan to replace temporary facilities such as this at Fort Bragg, N.C. Fifty-seven of these World War II facilities will be destroyed as we replace them with a new permanent facility for over 500 soldiers.



SLIDE 20

FORT BRAGG BARRACKS

This is a view inside those Fort Bragg barracks. We have 41,000 temporary World War II-type facilities still in the inventory, Mr. Chairman.



SLIDE 21

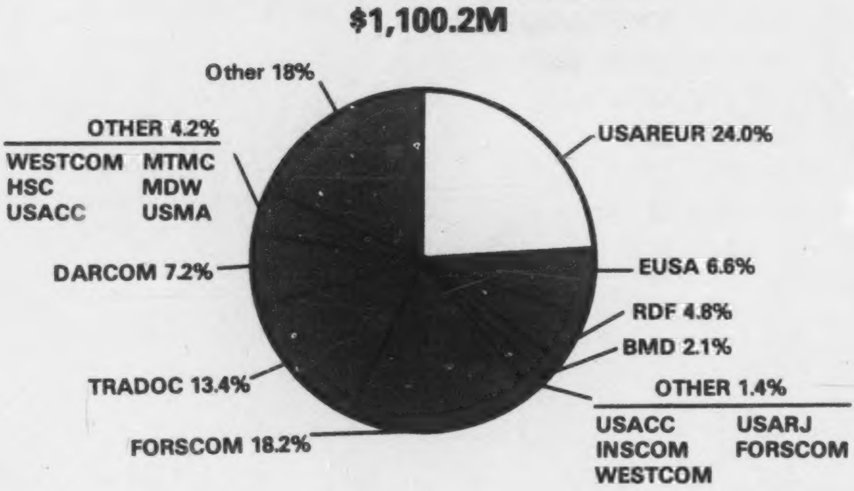
SLIDE 22

REPLACEMENT OF DINING FACILITIES

We also plan to replace dining facilities such as this one at Fort Bragg.

Now, to many of those who served in World War II, these are very familiar pictures, but those facilities were built back in the early 1940's with essentially a 5-year lifetime. Yet, the majority of the temporary facilities still in the inventory are occupied at the present time, housing either troops or an administrative facility.

FY 83 MCA BY MACOM
USAREUR
$264,380,000



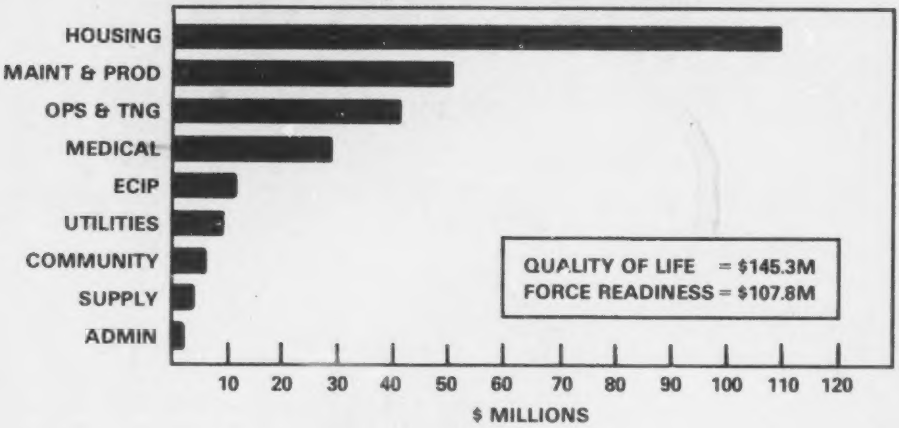
Slide 23

OVERSEAS PROGRAMS

Taking a look overseas, Mr. Chairman, we are requesting $264 million for USAREUR, our largest major command share, and perhaps the area that has the greatest need for our soldiers.

We have about 26.5 percent of our Army presently located in Europe. We are requesting about 24 percent of our program for Europe and, considering the needs this is perhaps a very austere but a very carefully balanced program to continue the improvements which were started in 1982.

FY 83 MCA USAREUR
BY FACILITY CATEGORY



SLIDE 24

FACILITY CATEGORY

By facility category, you will notice that the major portion of our funding goes to unaccompanied personnel housing. In fact, 55 percent of our dollars going to Europe will go for quality-of-life improvements for unaccompanied personnel housing, medical, and community facilities. At the same time we are devoting 41 percent to force readiness.

FY 83 MCA USAREUR
UNACCOMPANIED HOUSING PROGRAM

$109,900,000

SLIDE 25

UNACCOMPANIED HOUSING SPACES

Taking a look at each of these categories, $110 million, 42 percent of USAREUR's program, will provide over 3,600 unaccompanied housing spaces.

SLIDE 26

HANAU, GERMANY

They will replace ones such as this at Hanau, Germany.

SLIDE 27

DINING FACILITIES AT BAUMHOLDER

Also, it will provide dining facilities to replace antiquated and unsanitary ones such as this at Baumholder.

FY 83 MCA USAREUR
MAINTENANCE AND PRODUCTION

$50,790,000

SLIDE 28

MAINTENANCE AND PRODUCTION

In the second category, maintenance and production, $50 million is allocated for improvement of facilities where we expect troops to maintain modern equipment in conditions really not conducive to attaining the proper level of force readiness that we feel is essential.

SLIDE 29

ERLANGEN

It will fix this particular facility at Erlangen.

Slide 30

WINTER SITUATION

This is another view of that same area in the winter time. It does not get any better then. As a matter of fact, if our tracked vehicles are not moved in 2 days, many of them are frozen solid into the ground and it takes some time to get them out.

Slide 31

SCHWAENBACH MOTOR POOL

We will also renovate this particular motor pool at Schwaenbach.

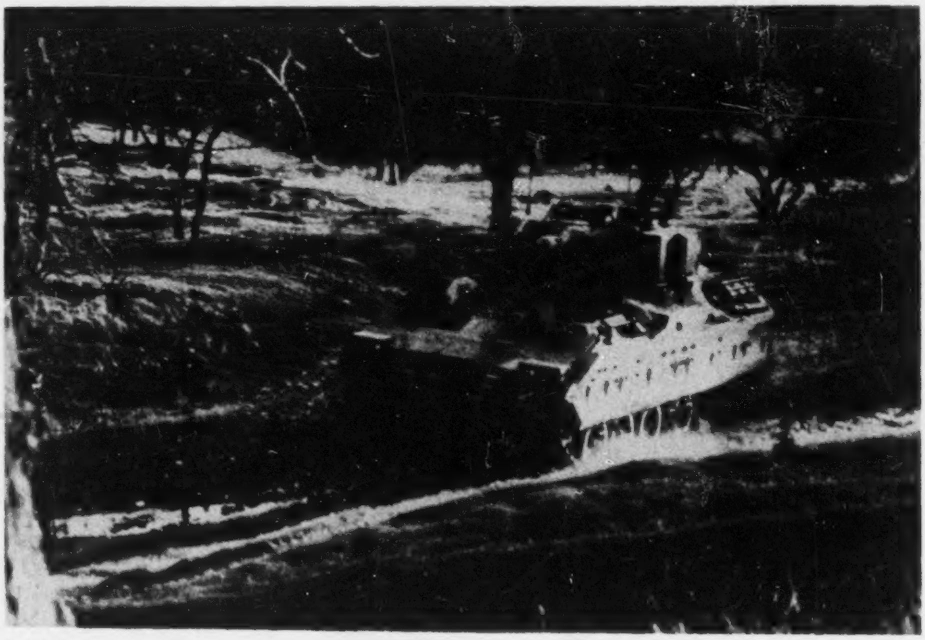
FY 83 MCA USAREUR
OPERATIONS AND TRAINING

$41,350,000

Slide 32

OPERATIONS AND TRAINING

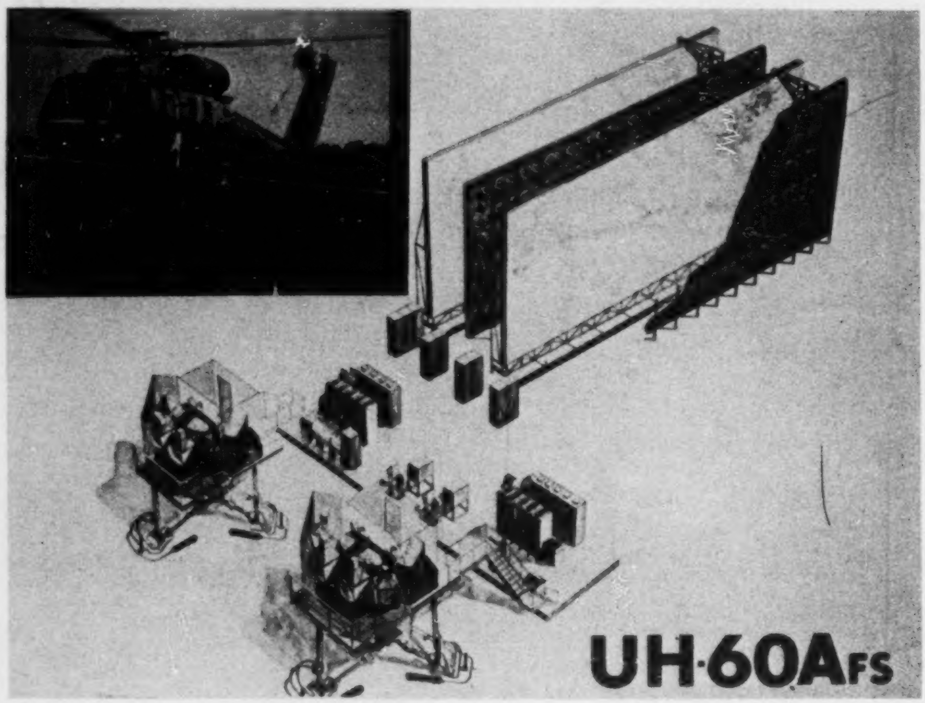
In the area of operations and training the largest part of our dollars will go to the multiyear range upgrade program started in fiscal 1982.



SLIDE 33

RANGE LOCATION IN EUROPE

We will put four different ranges in Europe to support the infantry-fighting vehicle and the cavalry-fighting vehicle. In addition, about $10 million will be used to build a facility at Vilseck for training maintenance crews on this particular weapons system.



SLIDE 34

BLACKHAWK SIMULATOR

Also in the operations and training area, we will construct the Blackhawk simulator such as you see there at Illesheim, at a cost of $7.3 million. In the area of simulation we feel that this is a tremendous economic improvement. We are able to provide flight training in the most realistic manner without the expense of flying hours and the wear and tear on equipment.

MASTER RESTATIONING PLAN

SLIDE 35

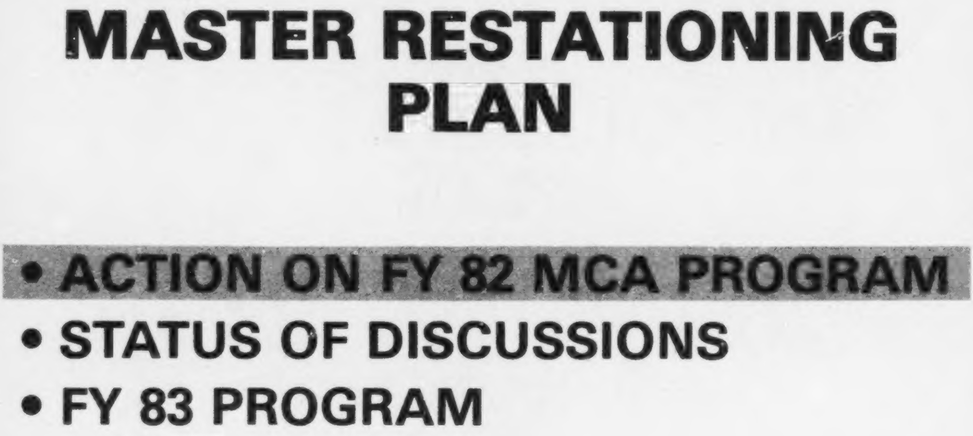
MASTER RESTATIONING PLAN

$26,500,000

SLIDE 36

MASTER RESTATIONING PLAN

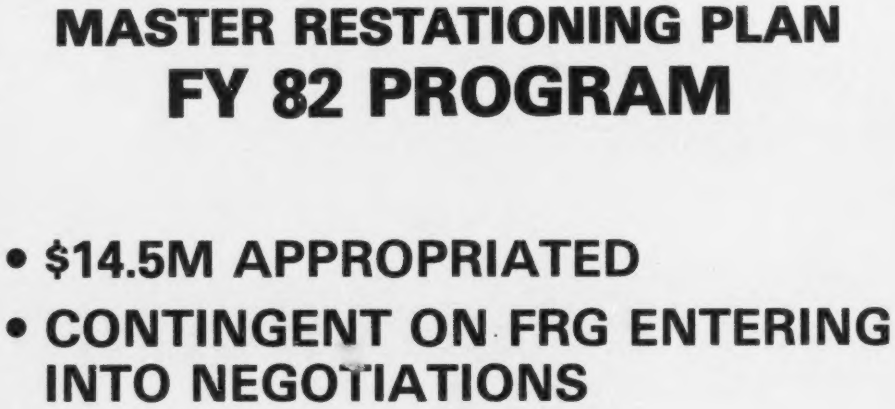
We are requesting $26.5 million for the second and final U.S. phase of funding in support of the master restationing plan in Europe. I will discuss this project under three particular headings.



MASTER RESTATIONING PLAN

- ACTION ON FY 82 MCA PROGRAM
- STATUS OF DISCUSSIONS
- FY 83 PROGRAM

SLIDE 37



MASTER RESTATIONING PLAN
FY 82 PROGRAM

- $14.5M APPROPRIATED
- CONTINGENT ON FRG ENTERING INTO NEGOTIATIONS

SLIDE 38

FACILITIES AT VILSECK

First of all, under 1982, the 1982 MCA program, $14.5 million was appropriated for facilities at Vilseck to provide the United States intent to push the master restationing plan, to show our commitment to the master restationing plan to the Germans. That appropriation and authorization was made by the Congress, but contingent upon FRG entering into negotiations.

MASTER RESTATIONING PLAN

- ACTION ON FY 82 MCA PROGRAM
- STATUS OF DISCUSSIONS
- FY 83 PROGRAM

SLIDE 39

MASTER RESTATIONING PLAN
STATUS OF DISCUSSIONS

- GERMAN AND U.S. TEAMS NAMED
- FIRST MEETING IN MARCH

SLIDE 40

STATUS OF NEGOTIATIONS

We reported the status of those negotiations to the committees on January 31. Then in March both sides met in a very successful negotiation much more so than we had anticipated over the past year. It was so successful that a declaration was signed by both the United States and the Federal Republic of Germany declaring an intent to pursue this particular project, and a date in April was established where a panel of experts was to meet in Bonn.

Those panels are meeting in Bonn today to work out the details of the German participation. I might add that the $26.5 million that we are requesting this year is included in funds to be recouped from the Germans.

MASTER RESTATIONING PLAN

- ACTION ON FY 82 MCA PROGRAM
- STATUS OF DISCUSSIONS
- FY 83 PROGRAM

SLIDE 41

MASTER RESTATIONING PLAN
FY 83 PROGRAM

• BN HQS/CLSRM	$3.0M
• DINING FACILITY	3.6
• BARRACKS	10.6
• BARRACKS W/ADMIN	9.3
TOTAL	$26.5M

SLIDE 42

BATTALION FACILITIES AT VILSECK

This $26.5 million for the facilities in this year's program is a follow-on to the $14.5 million in the 1982 program. It will provide two battalion facilities at Vilseck and will not only satisfy the U.S. commitment to the master restationing program which we propose to recoup under the negotiating process, but will also address a very real need in the area of force modernization.

With force modernization, as new weapon systems introduced into Germany, we simply do not have sufficient facilities to handle them.

Finally, and perhaps most important, these projects address a serious need in Europe that is to improve the quality of life for our soldiers. Those barracks and facilities will contribute to that immensely.

The 1983 program is the final U.S. contribution to MRP as we see it now. And again I underscore the fact that recoupment of funds will be a part of the negotiating process.

Senator Warner. General, I think we should certainly have a recitation in our record of appreciation for those who have worked so hard on the restationing plan and credit them for the success we have witnessed thus far.

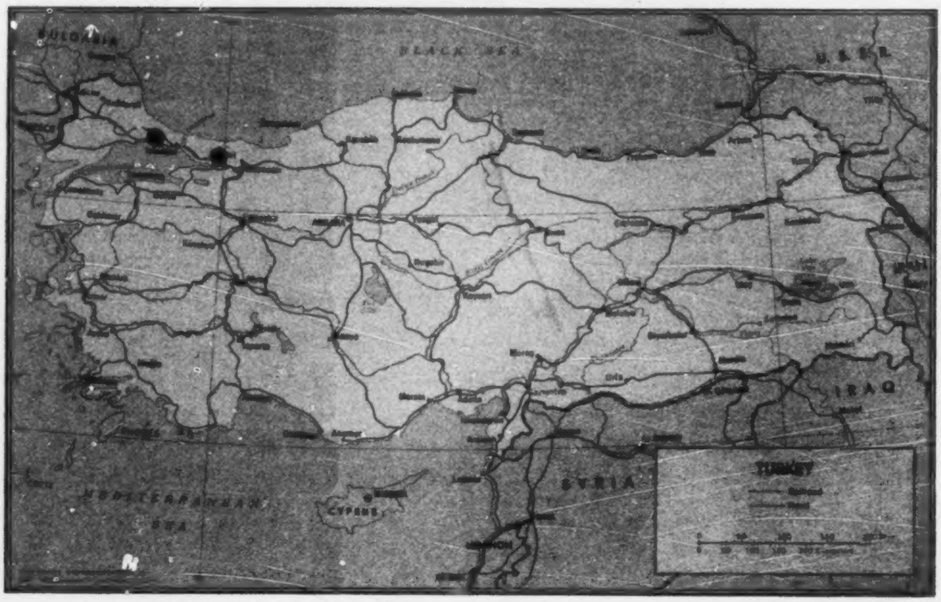
I was present in Europe this summer on an inspection trip and saw a number of the projects that were in limbo as a consequence of the uncertainties of these negotiations.

General Delbridge. Thank you, Mr. Chairman. As you well know, getting to this state in the negotiation has been a team effort. The chairman of this committee, Senator Thurmond, contributed significantly following the last testimony by his visit to Bonn and discussing the master restationing plan with the Germans.

We still have along ways to go, however, and the fact that these negotiations are under way is a bright light. But that tunnel is quite long.

FY 83 MCA USAREUR TURKEY

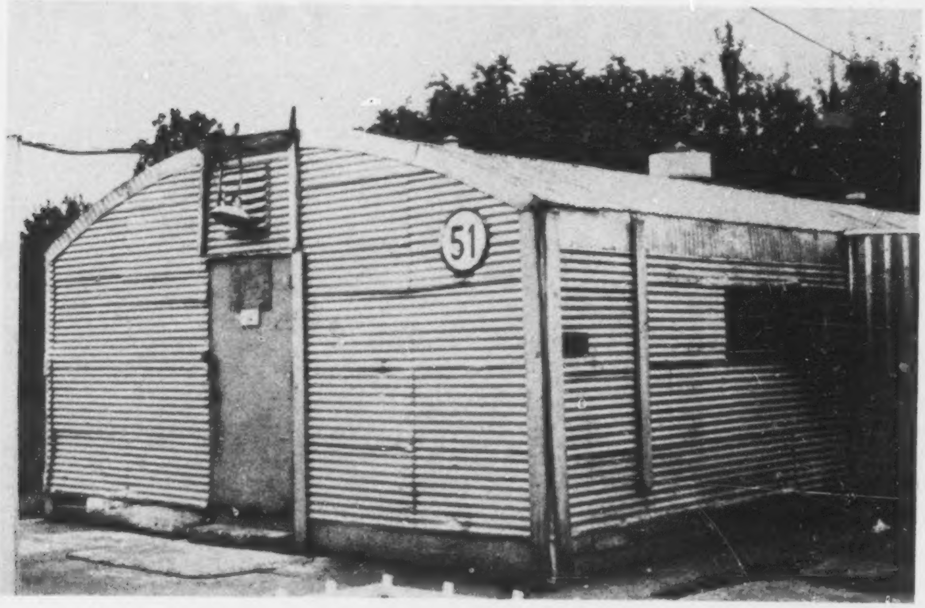
$7,970,000



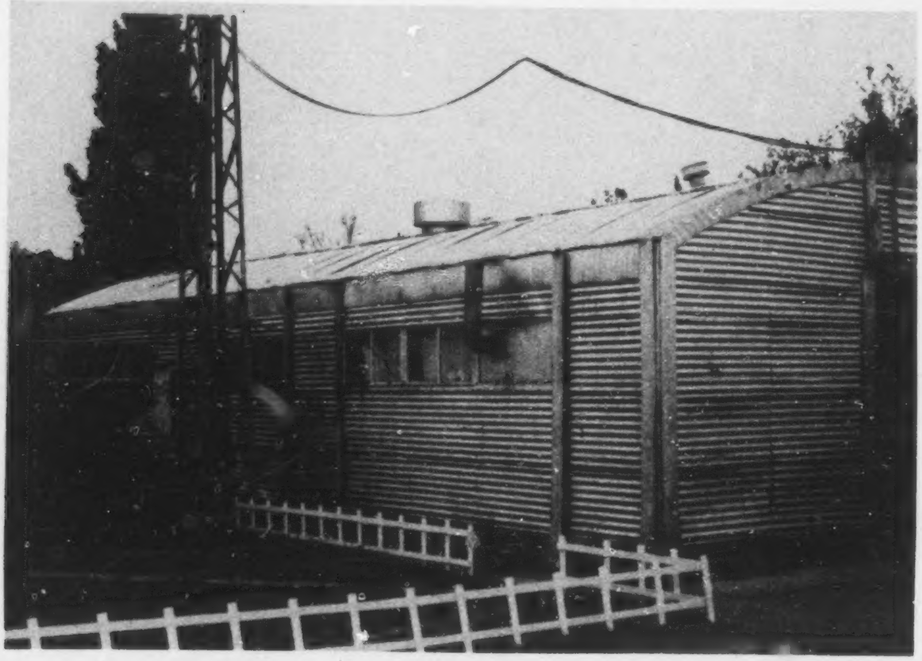
SLIDE 43

FACILITIES REQUEST IN TURKEY

In Turkey, we are requesting $7.9 million for two locations, Izmit and Cakmakli, to replace facilities that were constructed to austere standards back in the 1960's.



SLIDE 44



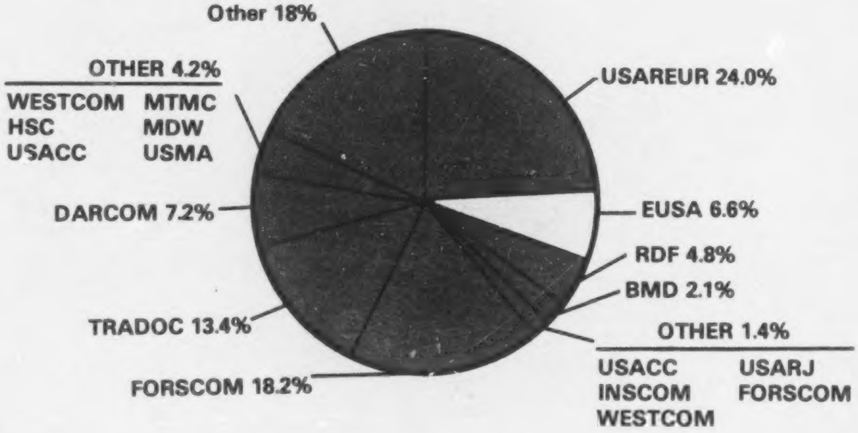
SLIDE 45

FACILITIES REPLACEMENT

We plan to replace administration and recreation facilities such as these at Izmit, which will have a significant impact on the quality of life of our soldiers.

FY 83 MCA BY MACOM

$1,100.2M

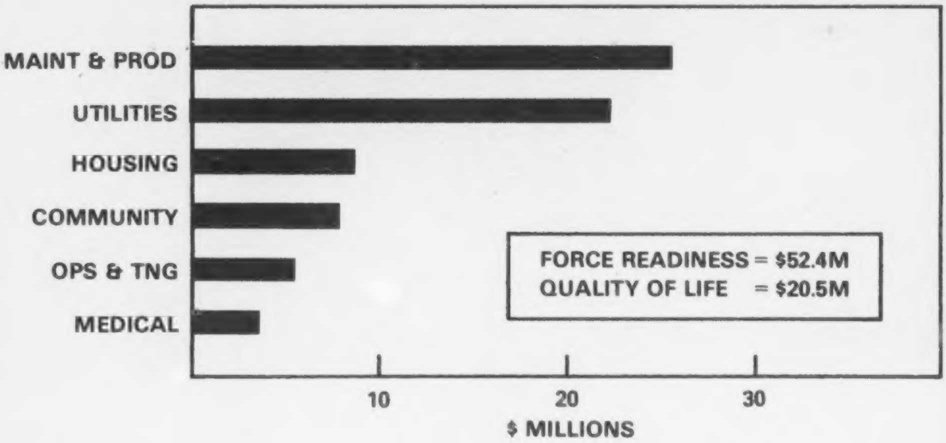


Slide 46

FY 83 MCA KOREA

$72,910,000

BY FACILITY CATEGORY

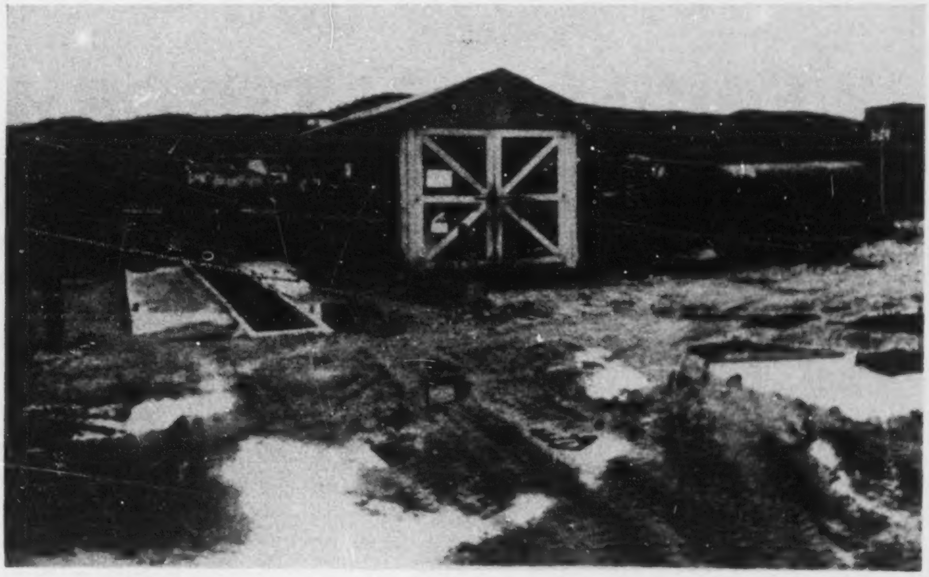


FORCE READINESS = $52.4M
QUALITY OF LIFE = $20.5M

SLIDE 47

KOREAN PROGRAM

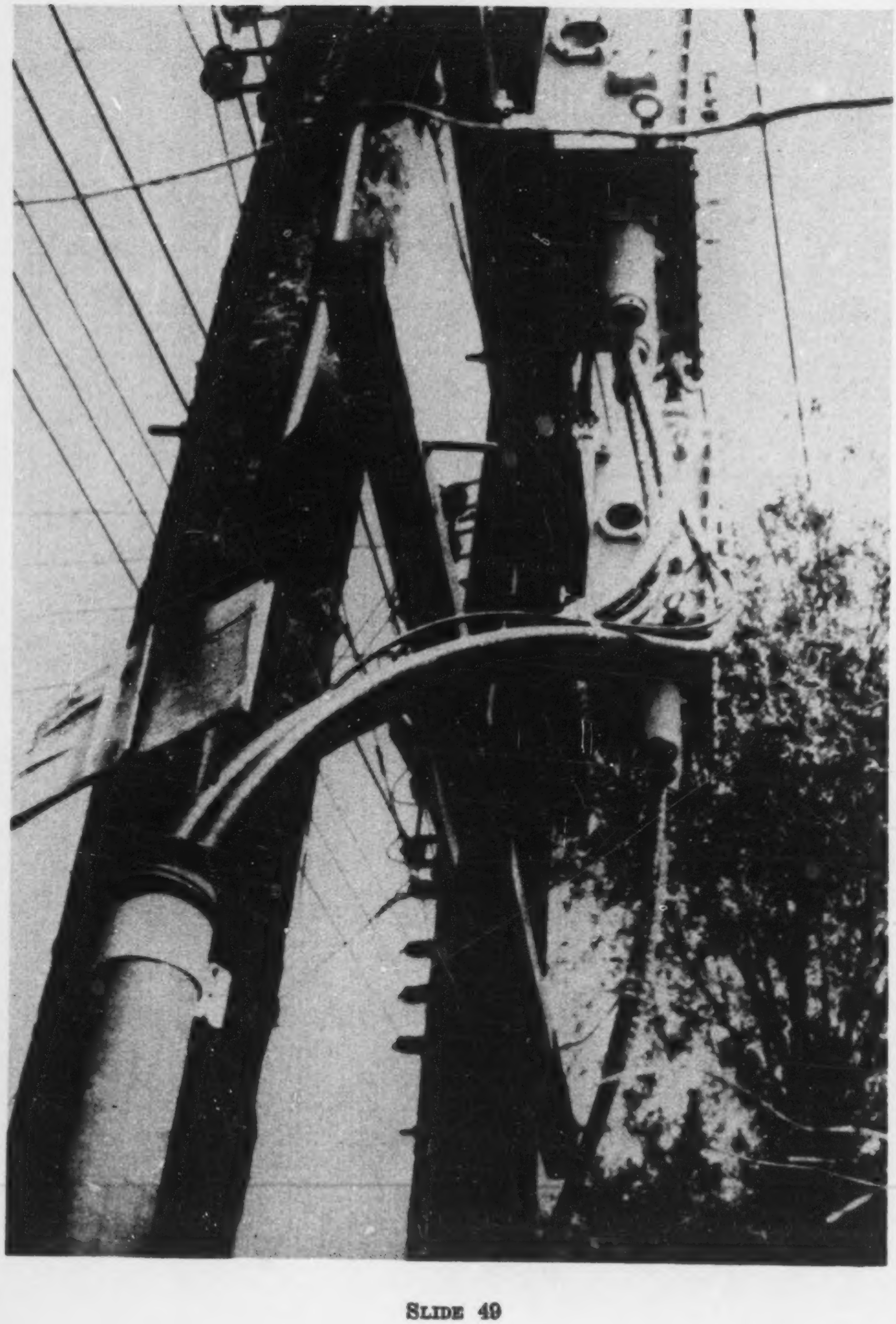
About 6.6 percent of our program will be dedicated to Korea. We are requesting $72.9 million as you see.



SLIDE 48

CAMP EDWARDS FACILITIES

In emphasizing maintenance and production facilities we plan to replace the unsatisfactory maintenance facilities that you see here at Camp Edwards.



SLIDE 49

CAMP WALKER FACILITIES REPLACEMENT

Second on our priority list is utilities and we plan to replace many of those which were constructed in the late 1950's and early 1960's such as this one at Camp Walker.

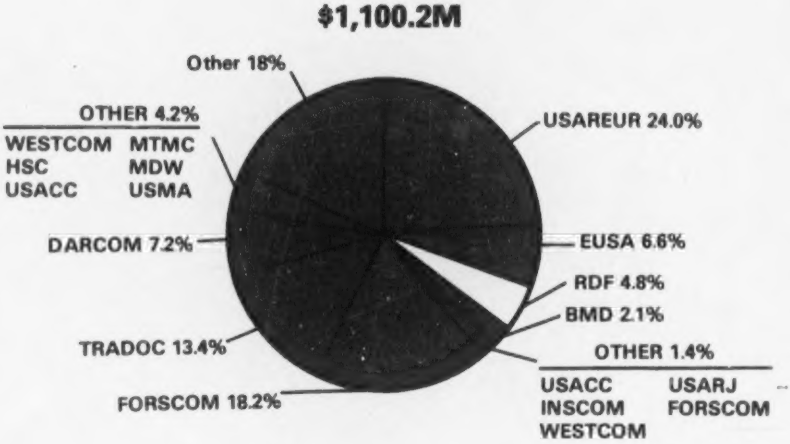
SLIDE 50

QUALTIY OF LIFE

In the area of quality of life, our funding will satisfy requirements in barracks, recreation facilities, community facilities, and eliminate some unsatisfactory troop housing and medical facilities such as this one at Camp Casey.

The majority of the Korean program, about 60 percent, will go into the 2d Infantry Division area.

FY 83 MCA BY MACOM
RAPID DEPLOYMENT FORCE
$53,000,000



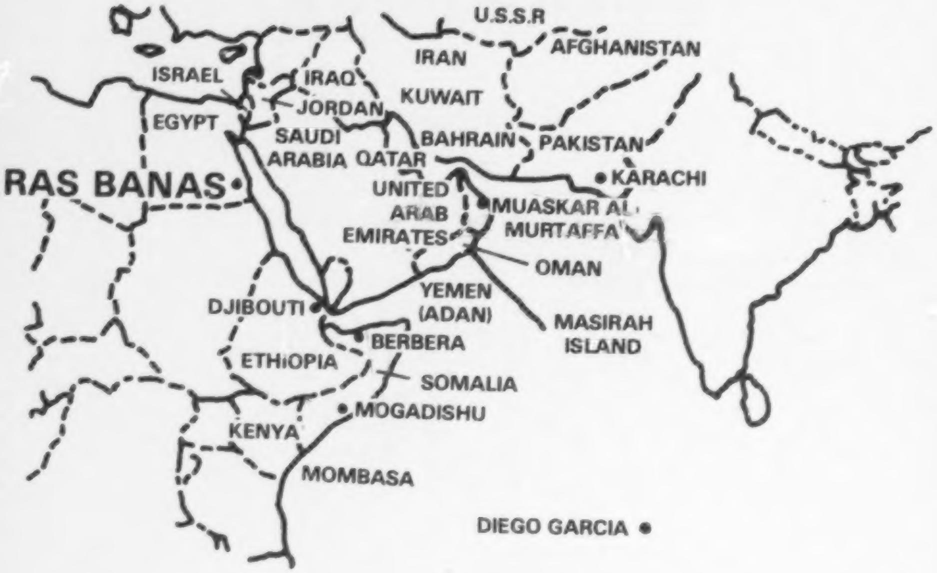
SLIDE 51

RAPID DEPLOYMENT FORCE

For the Rapid Deployment Force, we are requesting $53 million to continue the funding for the staging base at Ras Banas. Last year, Mr. Chairman, we requested $36 million for the first stage of that funding. The language of the appropriations conference committee was that the 1982 program should be included in a 1982 supplemental and that has been done.

Also, the conference committee requested that initial funding be addressed in the Department of Defense contingency fund and that similarly has been done for a total of $7 million.

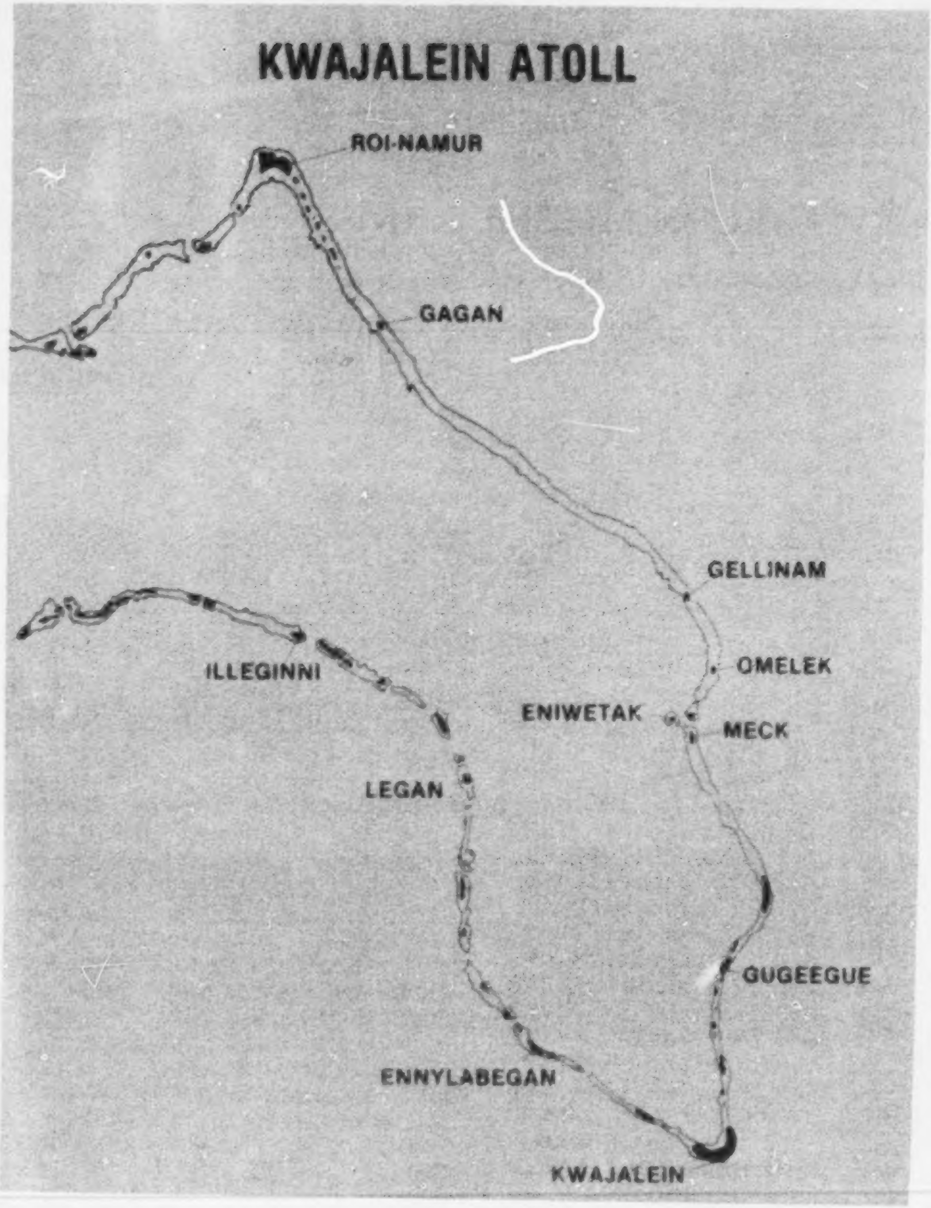
RAS BANAS, EGYPT
(LOCATION)



SLIDE 52

RAS BANAS FACILITIES

The 1982 program addressed the first phase of Ras Banas in troop billets. The 1983 program will address the follow-on which will be port improvements and [deleted] support facilities that will give us a completely usable [deleted] facility.


KWAJALEIN ATOLL
ROI-NAMUR
GAGAN
GELLINAM
OMELEK
ENIWETAK
MECK
ILLEGINNI
LEGAN
GUGEEGUE
ENNYLABEGAN
KWAJALEIN

SLIDE 53

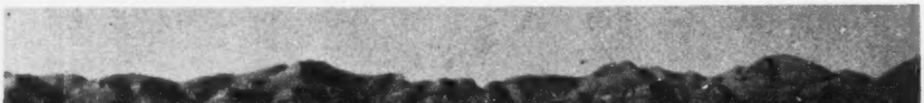
BALLISTIC MISSILE DEFENSE

• KWAJALEIN MISSILE RANGE	$23.0M
• CLASSIFIED LOCATION	$20.0
• WHITE SANDS MISSILE RANGE	$ 5.5
TOTAL	$48.5M

SLIDE 54

BALLISTIC MISSILE DEFENSE

In the area of ballistic missile defense we are requesting $23 million for research and development facilities for the LoAD [low-altitude defense] system, such as the Kwajalein missile range. Mr. Richardson, from the Ballistic Defense Program Manager's Office, will be prepared to address this in more specifics in the question period.

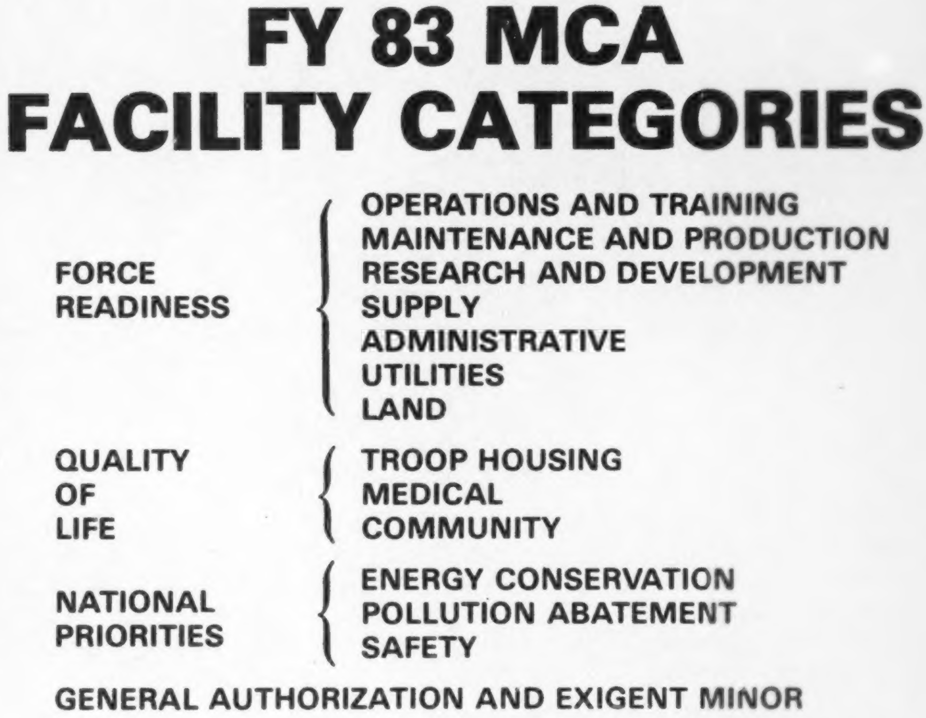


SLIDE 55

WHITE SANDS MISSILE RANGE CONSTRUCTION

Also, we are asking $5.5 million for construction at the White Sands Missile Range to test the LoAD interceptors subsystem. The Kwajalein facility will be for system testing with live intercepts of missiles fired from CONUS.

We are prepared to discuss the $20-million project at the classified locations, if there are any questions, in executive session, or provide answers for the record.



FY 83 MCA FACILITY CATEGORIES

FORCE READINESS	OPERATIONS AND TRAINING
	MAINTENANCE AND PRODUCTION
	RESEARCH AND DEVELOPMENT
	SUPPLY
	ADMINISTRATIVE
	UTILITIES
	LAND
QUALITY OF LIFE	TROOP HOUSING
	MEDICAL
	COMMUNITY
NATIONAL PRIORITIES	ENERGY CONSERVATION
	POLLUTION ABATEMENT
	SAFETY

GENERAL AUTHORIZATION AND EXIGENT MINOR

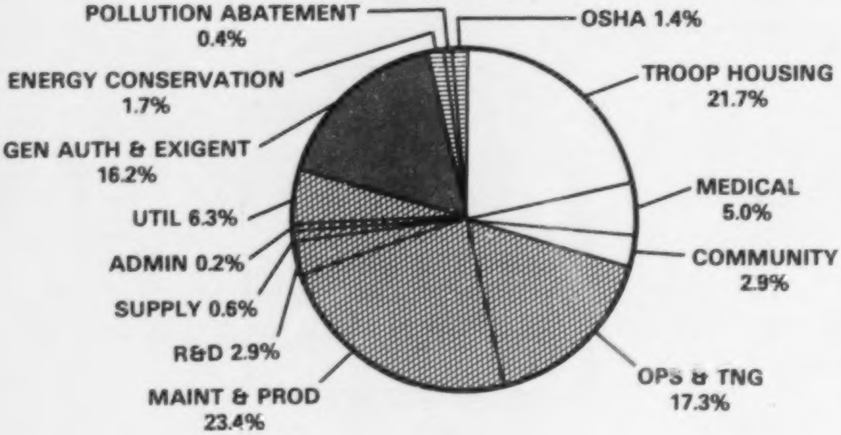
SLIDE 56

FACILITY CATEGORIES

Now, let me quickly go through the 1983 program by facility categories. If you will notice, I have divided the facility categories into the broad areas of force readiness, quality of life, and national priorities.

FY 83 MCA
BY FACILITY CATEGORY

$1,100.2M



SLIDE 57

PIE CHART BREAKDOWN

Those broad areas are best shown in the pie chart. Force readiness takes 51 percent of the program. Thirty percent is denoted to quality of life—troop housing, medical, and community facilities. National priorities, energy conservation, pollution abatement, and safety, amount to almost 4 percent while the general authorization and exigent minor amount to 16 percent.

FY 83 MCA PROGRAM HIGHLIGHTS

FORCE MODERNIZATION

QUALITY OF LIFE

MAINTENANCE AND PRODUCTION

TRAINING

ENERGY CONSERVATION/
POLLUTION ABATEMENT/SAFETY

SLIDE 58

Let me now discuss the 1983 program using these categories.

FY 83 MCA PROGRAM HIGHLIGHTS

FORCE MODERNIZATION

NEW WEAPON SYSTEMS
AND UNITS

$227,110,000

SLIDE 59

NEW WEAPONS SYSTEMS

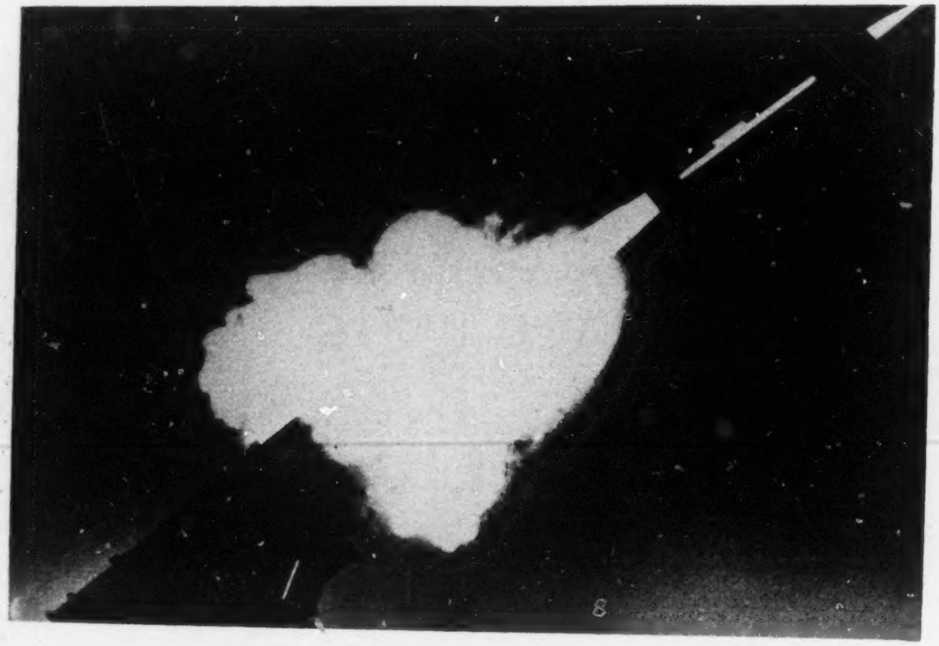
First, $227 million, 22 percent of the total program, is devoted to fielding new weapon systems in the 1984–85 timeframe.

FY 83 MCA
FORCE MODERNIZATION

PATRIOT MISSILE SYSTEM

$48.7M

SLIDE 60

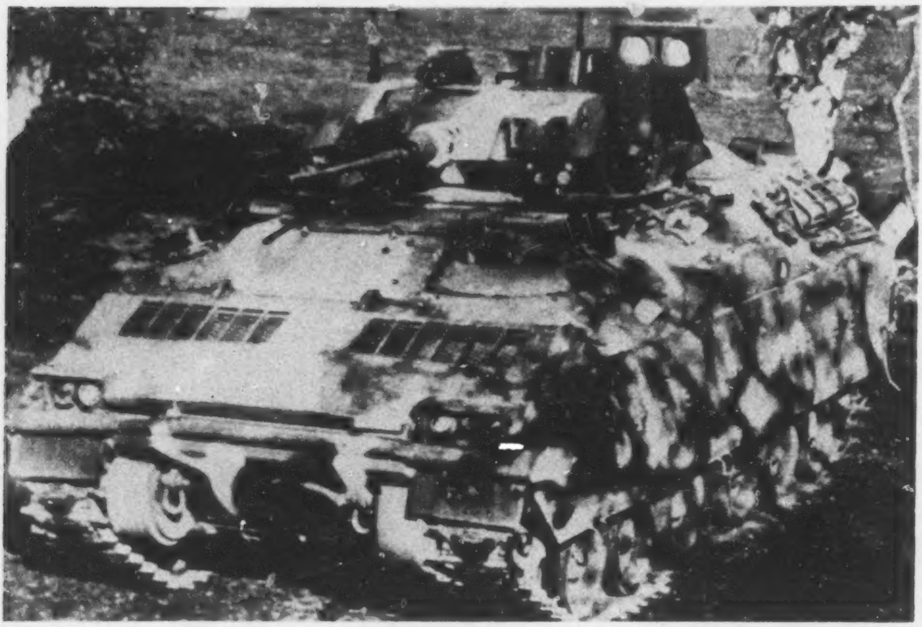


SLIDE 61

It includes $48.7 million for projects supporting the Patriot missile system—two at Fort Bliss for the fielding of two battalions and eight in Germany to field two other battalions. The U.S. construction projects in Germany total $34.1 million and that is matched by $25 million from NATO for those portions eligible for NATO infrastructure funding.

FISCAL YEAR 1983 MCA—FORCE MODERNIZATION

FIGHTING VEHICLE SYSTEM—$42.6M



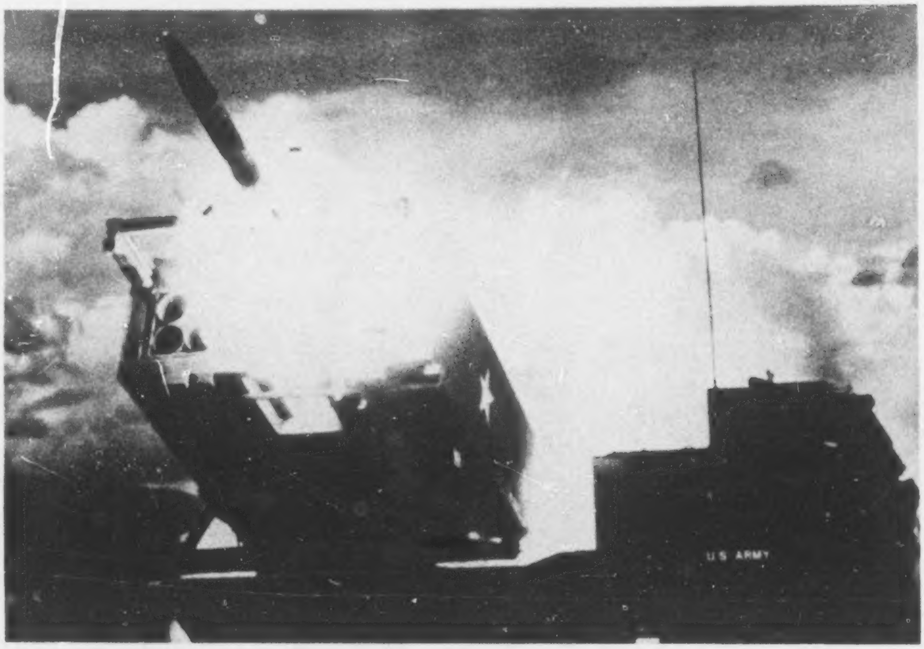
SLIDE 62

RANGE SYSTEM MODERNIZATION

Eighty percent of the $42.6 million for the fighting vehicle system is for construction and modernization of the range system. The remainder is for a maintenance training facility at Vilseck, Germany, and a range at Fort Benning, Ga.

FISCAL YEAR 1983 MCA—FORCE MODERNIZATION

MULTIPLE LAUNCH ROCKET SYSTEM (MLRS)—$38.6M



SLIDE 63

MLRS

The $38.6 million is for 18 projects to support the multiple launch rocket system. Four of them are in CONUS, 13 are in Germany, and one is in Korea.

FISCAL YEAR 1983 MCA—FORCE MODERNIZATION

COMBAT ELECTRONIC WARFARE INTELLIGENCE (CEWI) UNITS—$36.9M

SLIDE 64

CEWI

For combat electronics warfare intelligence, or CEWI units, we have included 10 projects at 5 locations in the United States—Forts Campbell, Carson, Hood, Hope and Stewart.

FISCAL YEAR 1983 MCA—FORCE MODERNIZATION

	Millions
DIVAD	$28.7
NBC units	12.9
M-1 tank	10.1

SLIDE 65

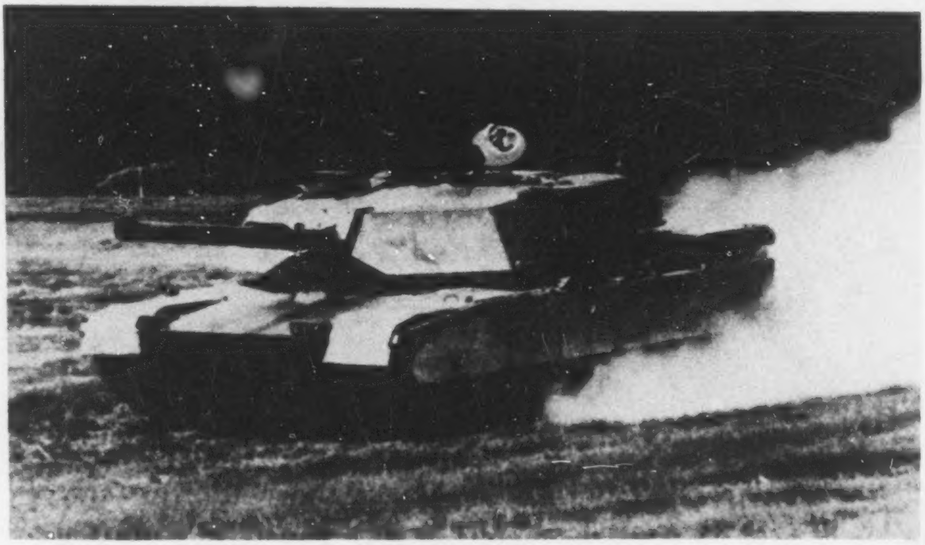
DIVAD

For the division air defense weapon system, we have included $28.7 millon for barracks, training, and maintenance facilities.

SLIDE 66

NUCLEAR BIOLOGICAL CHEMICAL UNITS

For nuclear biological chemical units, we have programed $12.9 million for administration and supply facilities at Fort Ord, Fort Polk, and Fort Stewart, and for two decontamination training facilities, one n Germany and one at Fort McClellan, Ala.



SLIDE 67

M-1 TANK

The $10.1 million is for an M–1 tank maintenance training facility at Aberdeen Proving Ground, Md., and a tank-driving course at Fort Knox, Ky.

SLIDE 68

AAH SUPPORT

To support the advanced attack helicopter, we have programed academic training facilities for pilots at Fort Rucker, Ala., and a mechanics training facility at Fort Eustis, Va.

FY 83 MCA PROGRAM HIGHLIGHTS

FORCE MODERNIZATION
QUALITY OF LIFE

QUALITY OF LIFE

$325.57M

MEDICAL $________
TROOP HOUSING ________
COMMUNITY ________

SLIDE 69

QUALITY OF LIFE

In the three quality-of-life areas we are asking for a total of $325.57 million.

FY 83 MCA
QUALITY OF LIFE

MEDICAL

BREMERHAVEN	$29.00M
FT LEAVENWORTH	13.60
FT ORD	5.80
KOREA	3.80
PANAMA	2.65
TOTAL	$54.85M

$325.57M

MEDICAL	$54.85M
TROOP HOUSING	______
COMMUNITY	______

SLIDE 70

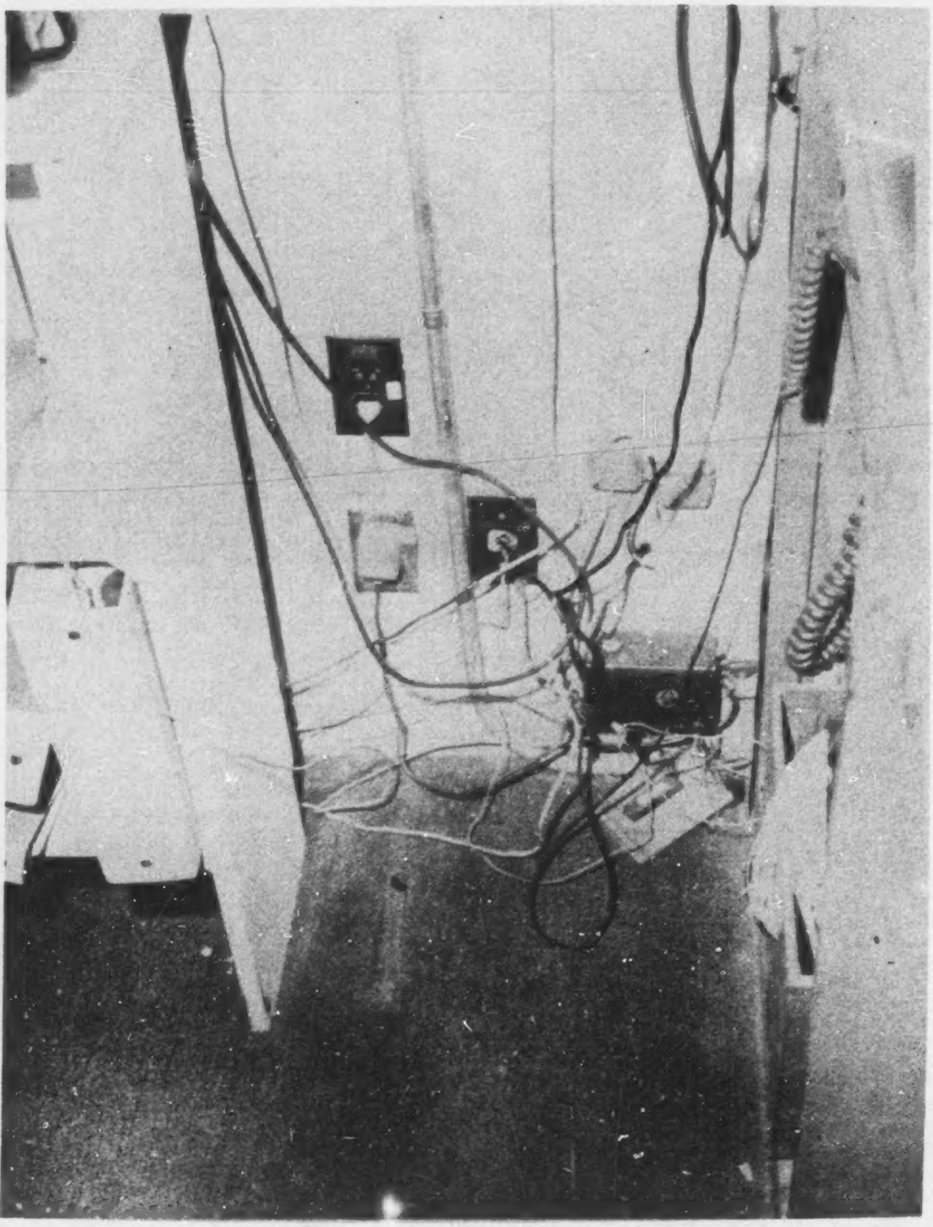
MEDICAL FACILITIES

For medical facilities we are requesting $54.85 million at the locations shown.

SLIDE 71

BREMERHAVEN CONVALESCENT CENTER

The $29 million at Bremerhaven will modernize and upgrade a facility built by the Germans as a naval convalescent center in 1938. There have been no major improvements to this hospital since the United States took it over at the end of World War II. These improvements will bring it up to accreditation standards.



Slide 72

MUNSON ARMY HOSPITAL

At Fort Leavenworth we have programed $13.6 million to insure that current life safety and accreditation standards continue to be met at Munson Army Hospital.

At Fort Ord we will build one troop medical facility that will consolidate nine separate facilities; in Korea we will replace one at Camp Casey; and in Panama the $2.65 million will upgrade the Gorgas Army Hospital to permit continued operation through the end of this century.

Senator WARNER. General, I am going to have to ask your indulgence and that of the other witnesses. I am required to chair another hearing about to open, and Senator Thurmond should be back momentarily. I express my appreciation for your indulgence. A number of our colleagues are at the White House working on a resolution of the budget. Thank you very much.

General DELBRIDGE. Thank you, Mr. Chairman.

Senator WARNER. We will recess until further call of the Chair.

[Whereupon, a recess was taken.]

Senator WARNER. The subcommittee will resume its hearing. General?

General DELBRIDGE. Thank you, Mr. Chairman.

FY 83 MCA
QUALITY OF LIFE

$325.57M

MEDICAL	$ 54.85M
TROOP HOUSING	$238.33M
COMMUNITY	______

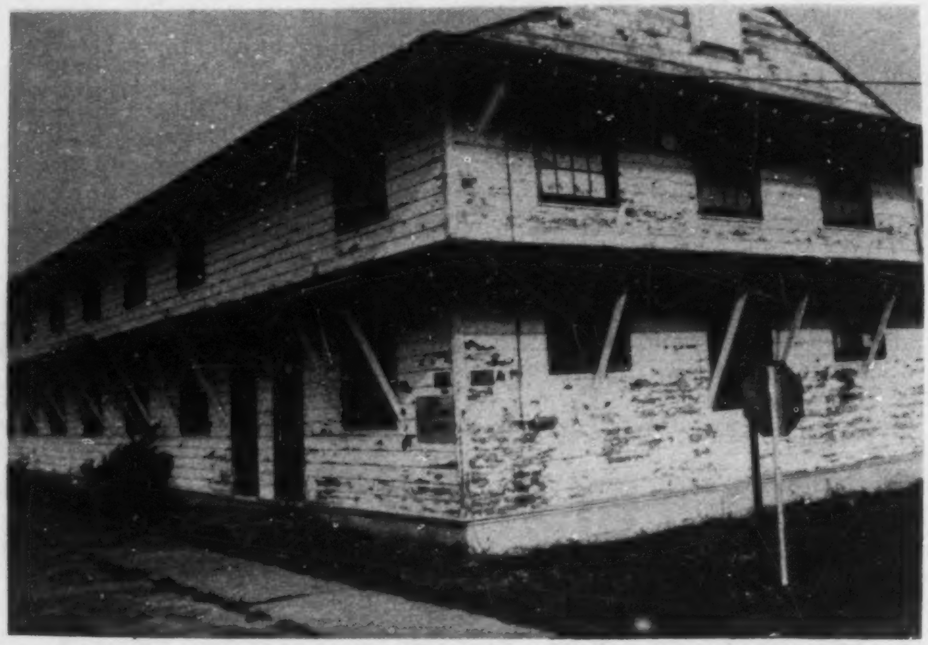
TROOP HOUSING
$238.33M

OVERSEAS		$122.71M
EUROPE	$109.90M	
KOREA	$ 8.66M	
OTHER	$ 4.15M	
INSIDE U.S.		$115.62M

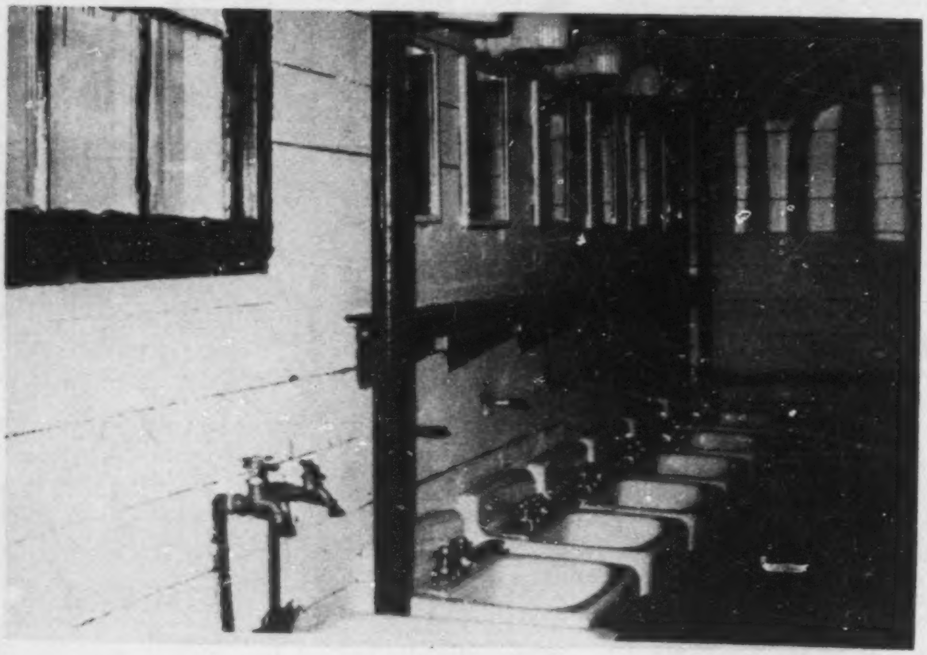
SLIDE 73

TROOP HOUSING

Continuing where we left off, Mr. Chairman, in the area of quality of life, for troop housing we are requesting $238.33 million. This is 22 percent of our program and with these funds we propose to house 7,744 additional unaccompanied soldiers worldwide.



SLIDE 74



SLIDE 75

BARRACKS REPLACEMENT

We will replace barracks such as this one at Fort Story which is deteriorated and overcrowded but continues to be occupied.

FY 83 MCA
QUALITY OF LIFE

$325.57M

MEDICAL	$ 54.85M
TROOP HOUSING	$238.33M
COMMUNITY	$ 32.39M

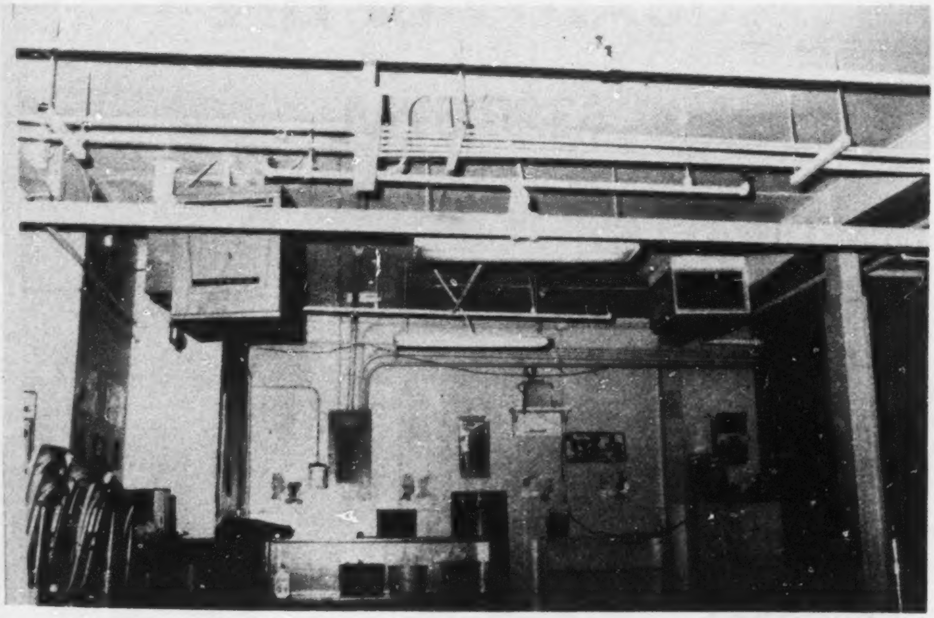
COMMUNITY
$32.39M

OVERSEAS		$14.45M
EUROPE	$6.42M	
KOREA	$8.03M	
OTHER	—	
INSIDE U.S.		$17.94M

SLIDE 76

COMMUNITY FACILITIES

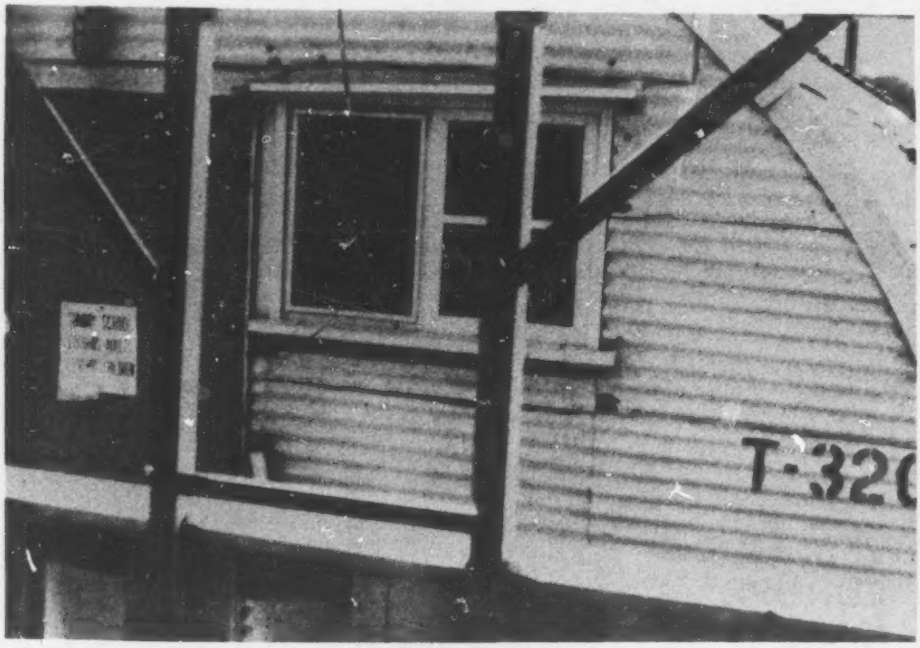
In the area of community facilities, the $32 million we are requesting will be used to construct a physical fitness center, an auditorium, a theater, a chapel, and a child-care center. You notice that for community facilities our request is about evenly divided between overseas and inside the United States.



SLIDE 77

FORT HUACHUCA CHILD CARE CENTER

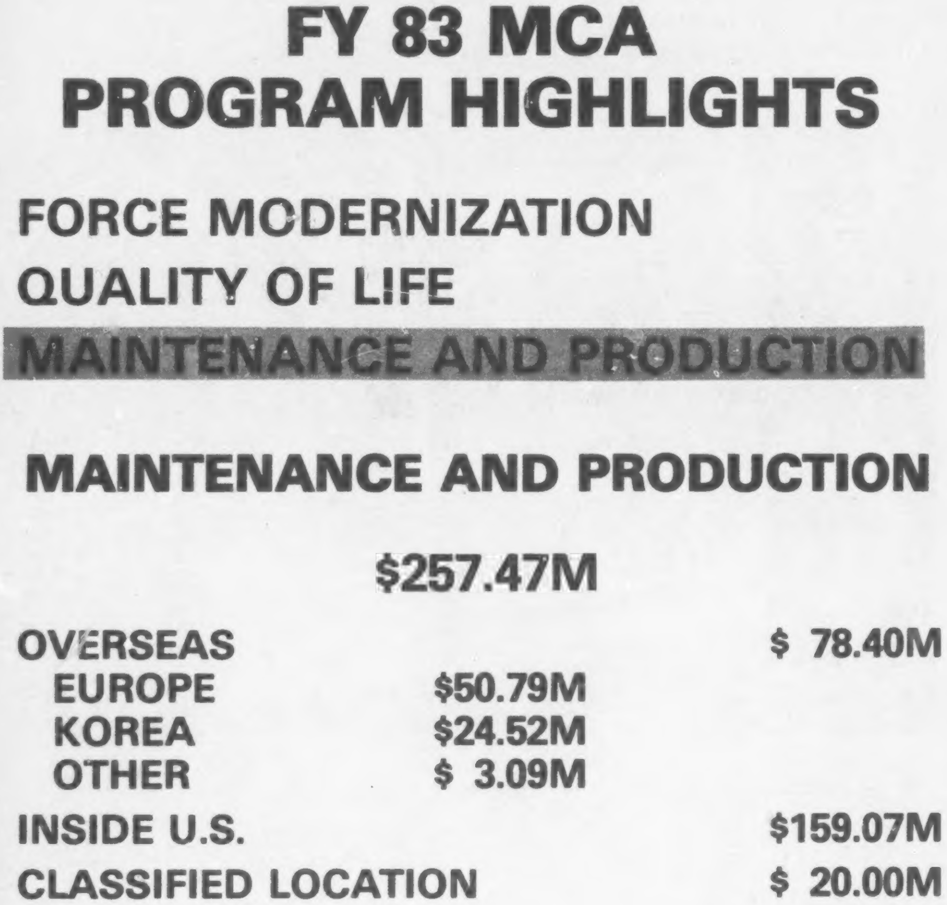
One of the facilities I mentioned, the child-care center, will be built at a cost of $2.8 million to replace this one at Fort Huachuca. The present child-care center is in a temporary facility; which was designed to hold 75 infants. It now has 120 infants and 180 preschoolers which makes age separation impossible.



SLIDE 78

CHAPEL REPLACEMENT AT CAMP HUMPHREY

Also, we will provide a chapel to replace this one in a temporary quonset hut at Camp Humphrey, Korea.



FY 83 MCA PROGRAM HIGHLIGHTS

FORCE MODERNIZATION

QUALITY OF LIFE

MAINTENANCE AND PRODUCTION

MAINTENANCE AND PRODUCTION

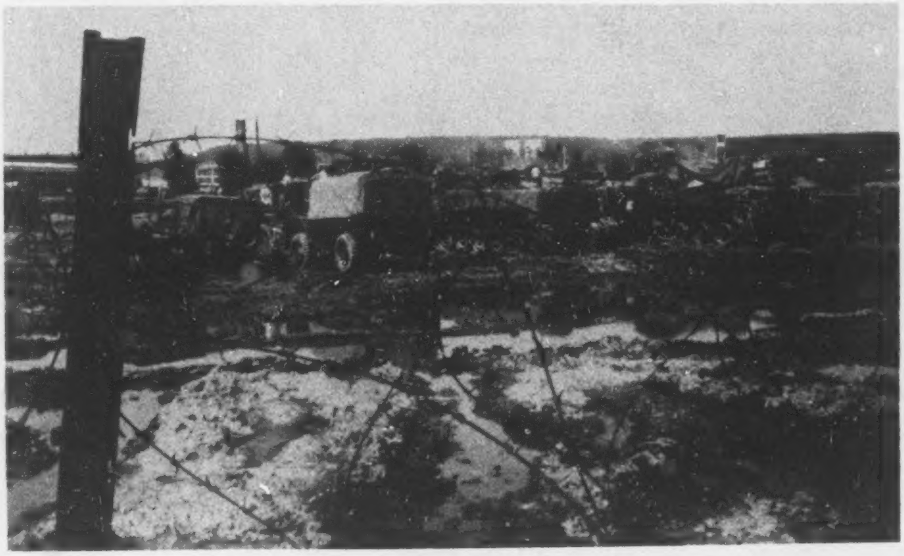
$257.47M

OVERSEAS		$ 78.40M
EUROPE	$50.79M	
KOREA	$24.52M	
OTHER	$ 3.09M	
INSIDE U.S.		$159.07M
CLASSIFIED LOCATION		$ 20.00M

SLIDE 79

MAINTENANCE AND PRODUCTION

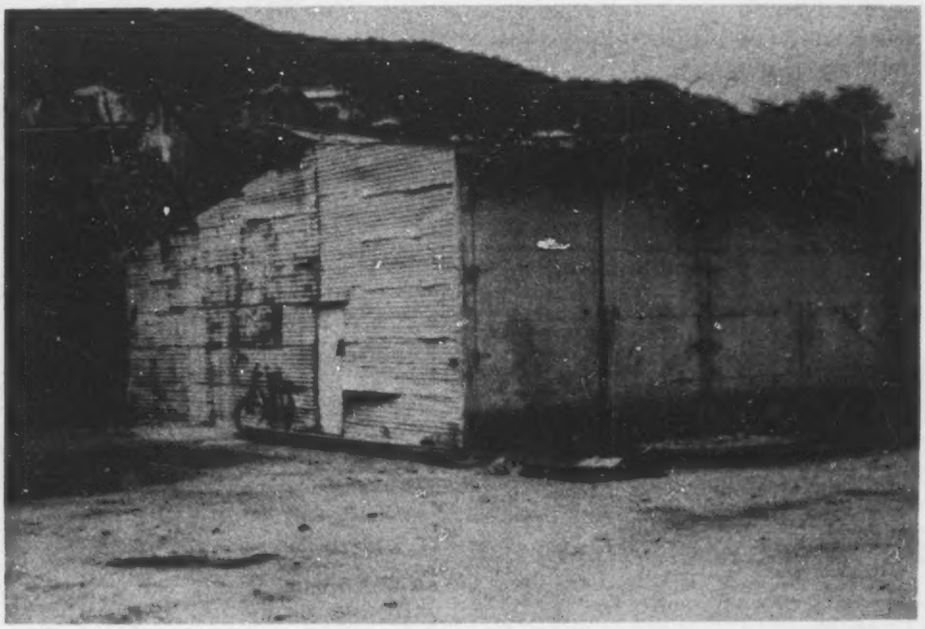
In the maintenance and production area we are requesting $257.47 million, almost one-fourth of our program. You will notice Mr. Chairman, that there are about twice as many dollars devoted to inside the United States as opposed to overseas. This is a change from last year when our major emphasis was placed in overseas locations, particularly Europe.



SLIDE 80

REPLACEMENT AND RENOVATION OF FACILITIES IN GERMANY

We plan to replace and renovate facilities such as this one in Germany—at a different location than the ones we showed you before.



SLIDE 81

CAMP NIMBLE, KOREA

We will also replace this one at Camp Nimble in Korea.

MAINTENANCE FACILITY

RED RIVER ARMY DEPOT, TEXAS—$39,000,000

SLIDE 82

SLIDE 83

REBUILD PLANT MODERNIZATION

The largest single project in the United States is for the modernization of the rebuild plant for light armored vehicles at the Red River Army Depot in Texarkana, Tex.

This facility is capable of taking damaged vehicles such as the 113 Amored Personnel Carrier that you see here and rebuilding them so that they are essentially a new vehicle as in the lower photo.

Although it is the largest single project, because of the efficiencies available from modernizing this plant and with the increased workload resulting from introduction of the Bradley fighting vehicle, we expect the pay back period for the project to be 2.3 years.

BINARY MUNITIONS FACILITY

PINE BLUFF, ARKANSAS

• BINARY FACILITY, PHASE II	$18.30M
• POLLUTION ABATEMENT	$ 1.35
TOTAL	$19.65M

SLIDE 84

BINARY MUNITIONS FACILITY

The binary munitions facility that we are proposing will be built at Pine Bluff, Ark., at a cost of $18.3 million. The phase II project—phase I is presently under construction—is for the assembly of the 155 GB-2 artillery projectile. General Fulwyler will be available for questions on the details of this particular project.

FY 83 MCA PROGRAM HIGHLIGHTS

FORCE MODERNIZATION
QUALITY OF LIFE
MAINTENANCE AND PRODUCTION
TRAINING

TRAINING

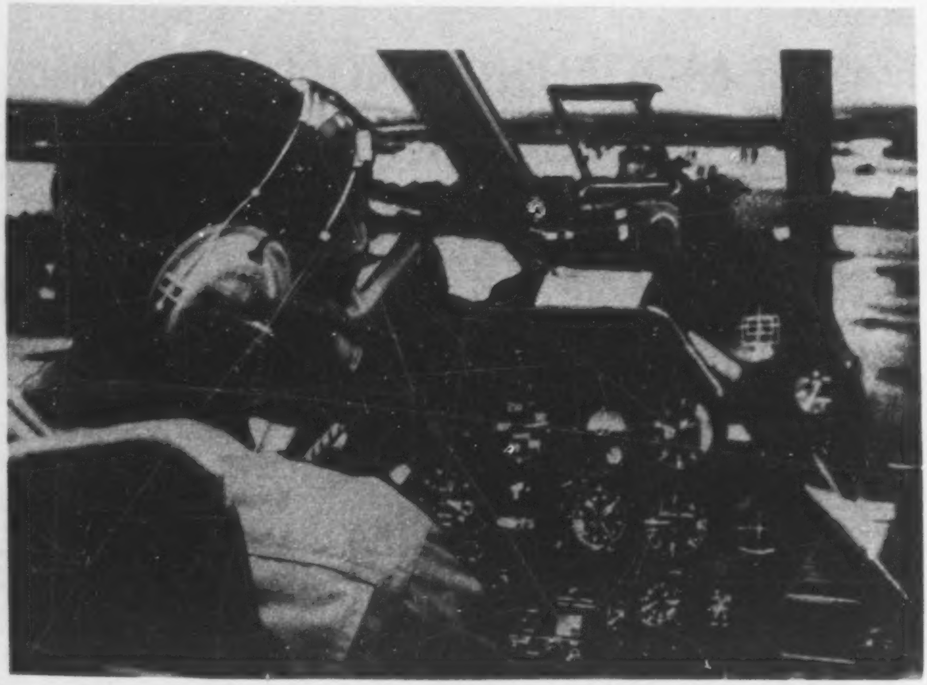
$115.64M

OVERSEAS		$39.70M
EUROPE	$39.7M	
KOREA	—	
OTHER	—	
INSIDE U.S.		$75.94M

SLIDE 85

TRAINING

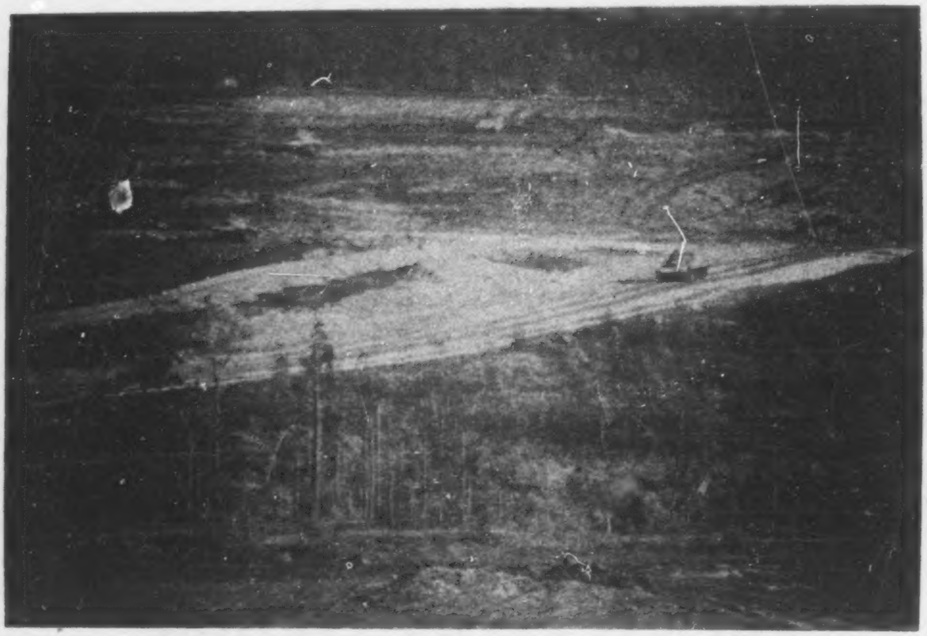
In the area of training, $115.6 million or 11 percent of our program, is required to support activation of new weapon systems and units.



SLIDE 86

SIMULATOR COCKPIT

Two simulators, here you see the inside of a simulator cockpit, will be built—one at Illesheim, Germany, and one at Fort Campbell, Ky.



Slide 87

RANGE UPGRADE PROGRAM

Also, we will continue the range upgrade program at Grafenwoehr for infantry- and cavalry-fighting vehicles and the M–1 tank.

FY 83 MCA PROGRAM HIGHLIGHTS

FORCE MODERNIZATION
QUALITY OF LIFE
MAINTENANCE AND PRODUCTION
TRAINING
ENERGY CONSERVATION/
POLLUTION ABATEMENT/SAFETY

ENERGY CONSERVATION/ POLLUTION ABATEMENT/SAFETY

$38.33M

ENERGY CONSERVATION	$19.19M
POLLUTION ABATEMENT	$ 4.35M
SAFETY	$14.79M

SLIDE 88

ENERGY CONSERVATION

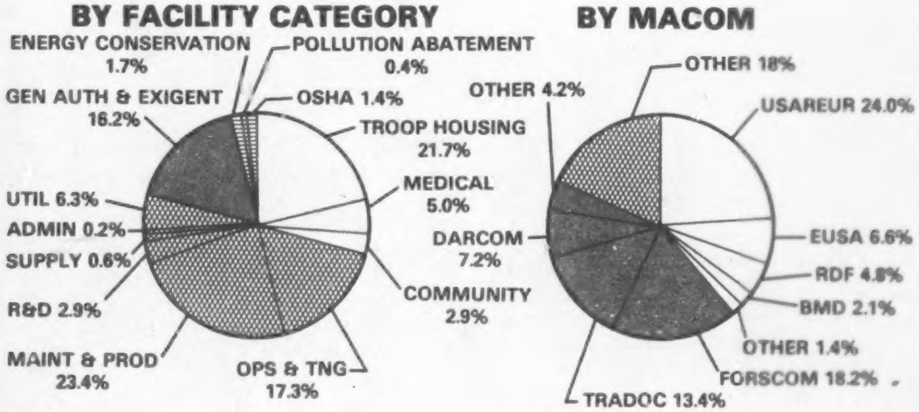
Finally, in the area of energy conservation, pollution abatement, and safety, we are requesting a modest amount. We had hoped it to be larger, but again, we were caught by funding constraints and the amount programed represents a balancing of our program.

The small amount that you see for pollution abatement is not a slighting of that particular program but addresses only those projects for which we have a severe legislative requirement placed on us by the States. For the most part we are pretty well up to speed in most of our pollution abatement requirements.

FY 83 MCA

($000)

APPROPRIATION	1,100,200
AUTHORIZATION	962,140



SLIDE 89

APPROPRIATION AND AUTHORIZATION BREAKDOWN

In summary, Mr. Chairman, we are requesting $1.1 billion in appropriation and $962 million in authorization, broken out by facility category and geographically as you see here.

FY 83 MCA

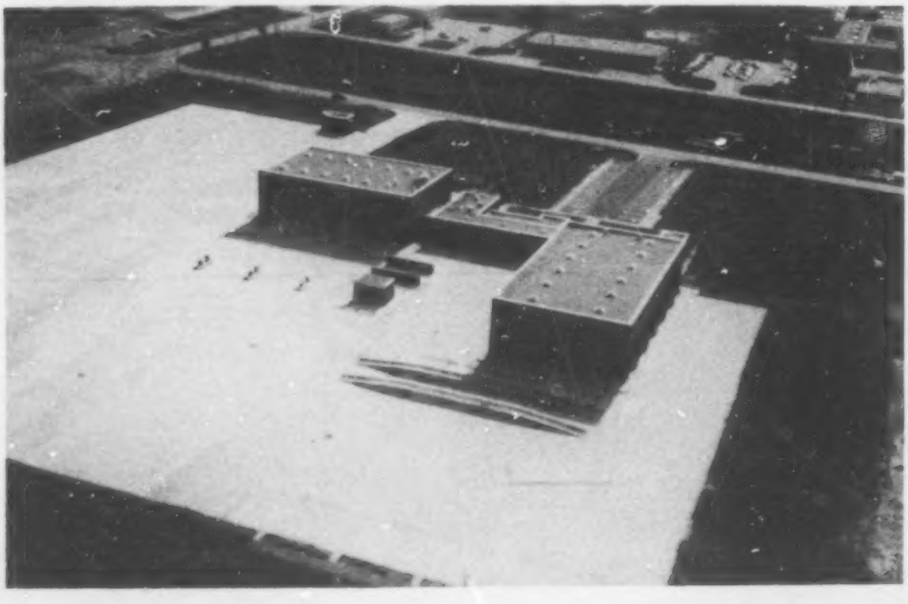
EMPHASIZES:

- FORCE MODERNIZATION
- QUALITY OF LIFE IMPROVEMENT
- FACILITY IMPROVEMENT

SLIDE 90

FORCE IMPROVEMENT

Our program emphasizes force modernization, improvement of our soldiers' quality of life, and improvements of facilities for our soldiers both here and overseas.



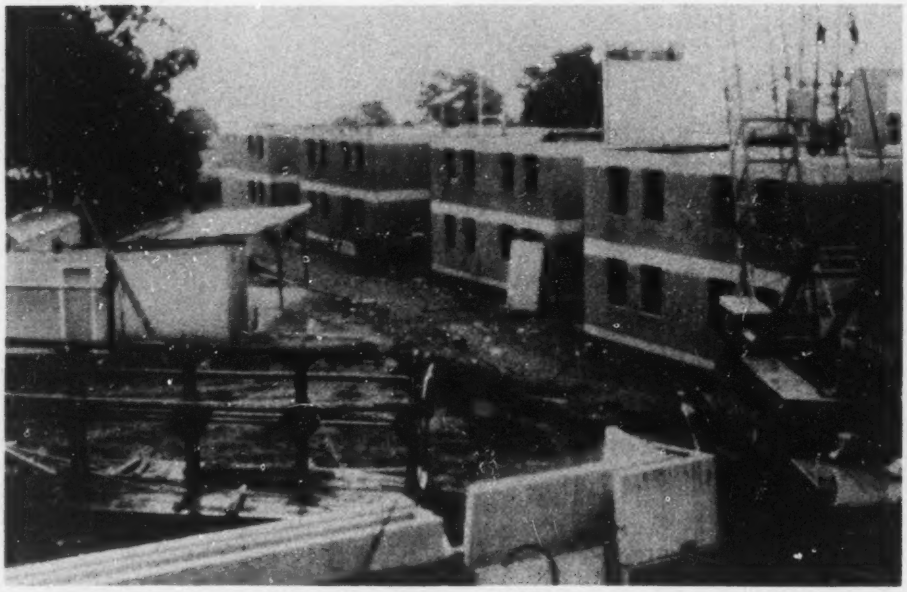
SLIDE 91

SLIDE 92

FACILITIES MODERNIZATION

The Army's goal is to provide the kinds of facilities you see here—a new maintenance facility recently completed at Fort Benning, Ga., and one being constructed in Germany to take the place of the old brick structure that you see to the rear of the construction.

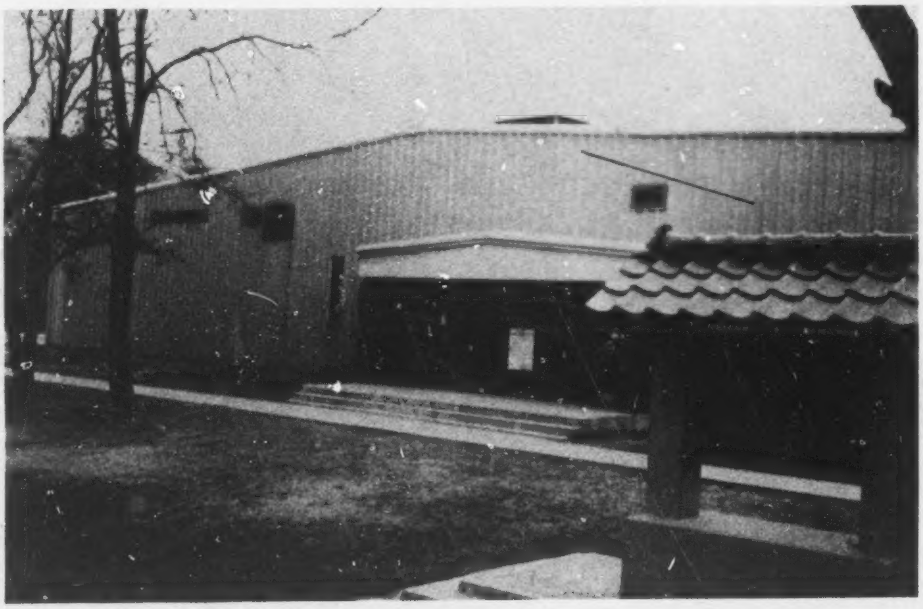
SLIDE 93



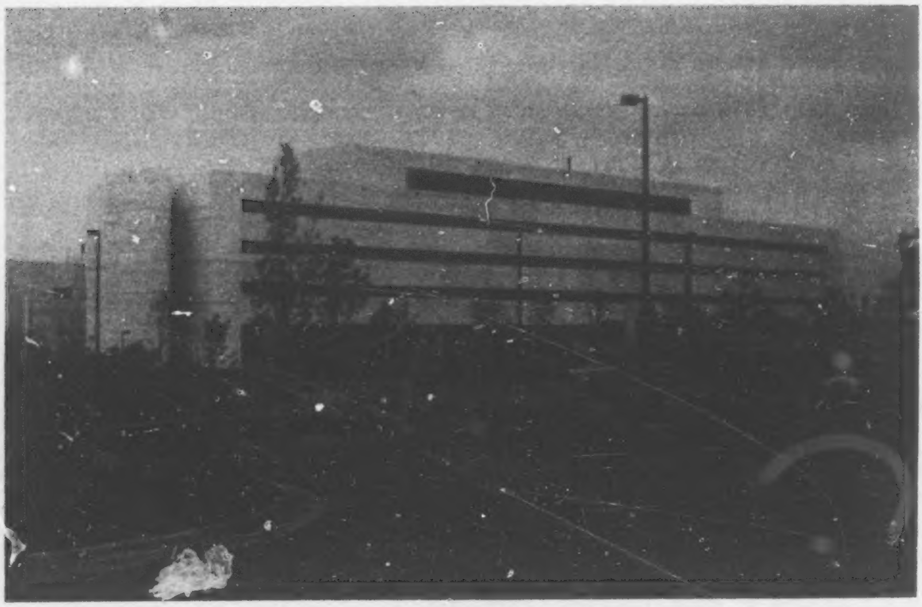
Slide 94

TRAINING BARRACKS

We have built training barracks such as you see here at Fort Benning and are building unaccompanied personnel housing such as you see here at Fulda, Germany.



Slide 95



SLIDE 96

DINING FACILITIES

Finally we have recently completed this new dining facility for a Second Infantry Division unit in Korea and are putting the finishing touches on the new hospital at Fort Campbell, Ky.

PREPARED STATEMENT

Mr. Chairman, that completes my presentation on the military construction program. I would propose, sir, to go into the family housing portion at this time if you so desire. I submit my prepared statement for inclusion in the record.

[The prepared statement of General Delbridge follows:]

PREPARED STATEMENT OF BRIG. GEN. NORMAN G. DELBRIDGE, JR.

ASSISTANT CHIEF OF ENGINEERS

OFFICE OF THE CHIEF OF ENGINEERS

DEPARTMENT OF THE ARMY

SAC/SASC OPENING STATEMENT

Mr. Chairman and Members of the Subcommittees. I am Brigadier General Norman S. Delbridge, Jr., Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

Once again, I am pleased to appear before the subcommittees to present the Army's portion of the Military Construction and Family Housing Appropriation and Authorization requests. The FY 83 requests continue efforts begun in FY 81 to improve the operational readiness of the Army while, at the same time, providing those quality of life improvements so necessary to attract dedicated individuals to service in the Army. First, permit me to discuss the Military Construction requests.

MILITARY CONSTRUCTION, ARMY

The FY 83 MCA budget request includes a request (CHART 1) for total obligational authority of $1,100,200,000 and a companion request for authorization of $962,140,000. The appropriations request includes the authorization request, plus $15,500,000 for a project authorized in FY 82, plus $148,240,000 for general authorization which provides for planning and design of future year projects and funding for access roads. However, it does not include $25,680,000 for construction at Army ammunition plants that is part of the authorization request but is appropriated in the Defense Appropriation Act.

The following tables summarize the FY 83 MCA budget request. TABLE I shows the distribution of the appropriations request among major commands in the United States and overseas. Construction projects in the United States account for $473 million of the budget request. Construction projects outside the United States total $429 million. Of this amount, $270 million is identified for our forces in Europe. Another $73 million is allocated for our forces in Korea, $53 million is for support of the Rapid Deployment Force in Egypt, $23 million is for Ballistic Missile Defense facilities on Kwajalein Atoll, and $8 million is for facilities in Panama to support Army forces assigned to the Southern Command. The remaining $2 million is for projects on Johnston Island and in Japan. This year's request for general authorization, exigent minor construction, and construction at a classified location totals $198 million.

TABLE II shows the facility categories in which the funds are requested and the percentage of the construction dollars in each category. The allocation of the FY 83 MCA request into these categories supports the Army needs--manning, training, modernizing, mobilizing, deploying, sustaining, and esteeming--as identified by the Secretary of the Army and the Chief of Staff in their joint FY 83 Army Posture Statement.

To improve the equipment readiness of the Army, we have committed 23 percent of the construction request totaling 48 projects for maintenance and production facilities. The 48 projects include 25 tactical equipment shop projects and are intended to continue our efforts to reduce both mission shortfalls and substandard conditions. The Army's Quality of Life Program, intended to foster improved morale and individual readiness, continues to receive widespread support this year with 30 percent of the total construction request allocated to troop housing, medical, and community facilities. The operational readiness of the Army is also emphasized as 17 percent of the request is devoted toward providing new, or modernizing existing, operations and training facilities.

Fifty-seven percent of this year's request is for support of new and current mission shortfalls not fully satisfied in prior years (CHART 2). The funding of new weapons systems, which I will discuss in more detail in a moment, highlights this segment. In addition, 26 percent of our request is for replacement and modernization of the Army's worldwide inventory of aging facilities.

Even though MCA funding has increased over the past few years, the rate of increase has not been sufficient to reduce the Army's backlog of construction. This year our backlog amounts to $21.6 billion (CHART 3)--a $4.5 billion increase in constant 1983 dollars over what I reported last year. In an attempt to significantly reduce this backlog, current planning calls for military construction funding of $11.2 billion in constant FY 83 dollars over the next five years.

TABLE I - PROPOSED FISCAL YEAR 1983 MILITARY CONSTRUCTION, ARMY, PROGRAM COMMAND SUMMARY

COMMAND	COST ($000)	PERCENTAGE OF TOTAL
INSIDE THE UNITED STATES		
Forces Command	200,590	18.2
Training and Doctrine Command	146,890	13.3
Materiel Development and Readiness Command	79,470	7.2
Western Command	20,730	1.9
Health Services Command	17,150	1.6
Communications Command	7,550	0.7
Military Traffic Management Command	300	
Military District of Washington	210	0.1
US Military Academy	300	
TOTAL	473,190	43.0
OUTSIDE THE UNITED STATES		
US Army, Europe	264,380	24.0
Eighth US Army	72,910	6.6
Rapid Deployment Force	53,000	4.8
Ballistic Missile Defense	23,010	2.1
Forces Command	8,090	0.7
Communications Command	3,950	0.4
Intelligence and Security Command	1,750	0.2
Western Command	1,050	0.1
US Army, Japan	630	0.1
TOTAL	428,770	39.0
OTHER		
Planning and Design	145,240	13.2
Classified Locations	20,000	1.8
Exigent Minor Construction*	30,000	2.7
Access Roads	3,000	0.3
TOTAL	198,240	18.0
Total obligational authority requested	1,100,200	100.0

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*The total minor construction request (projects costing less than $1,000,000) is $62,760,000. This total includes $30,000,000 for unforeseen (exigent) construction requirements and $32,760,000 for specified locations ($13,830,000 inside the US and $18,930,000 outside the US). The costs for specified locations are included in the command totals.

PROGRAM HIGHLIGHTS

With the Committee's permission, I would like to discuss briefly a few of our construction program highlights.

FORCE MODERNIZATION

The FY 83 MCA Program continues to support the introduction of new weapons systems and the associated organizational changes and doctrinal modifications, all of which have an extensive impact on Army facility requirements. Fifty-three projects, accounting for 21 percent of this year's request, support this initiative.

Introduction of the Patriot Air Defense System is supported by ten projects totaling $48.7 million. Construction of two tactical equipment shops at Fort Bliss, Texas, totaling $14.6 million, supports the training and permanent assignment of two battalions. The other projects are in Germany and include barracks, dining facilities, tactical equipment shops, and ammunition storage facilities. They support the deployment of two additional battalions. The $34.1 million is the US share of facilities whose criteria are beyond that allowed by NATO Infrastructure Agreements. The NATO Infrastructure funded portion of construction for these projects is $25.1 million.

TABLE II - PROPOSED FISCAL YEAR 1983 MILITARY CONSTRUCTION, ARMY, PROGRAM FACILITY CATEGORY SUMMARY

FACILITY CATEGORY	COST ($000)	PERCENTAGE OF TOTAL
Operations and Training	190,460	17.3
Maintenance and Production	257,470	23.4
Research, Development, Test and Evaluation	32,050	2.9
Supply	6,510	0.6
Medical	54,850	5.0
Administrative	1,980	0.2
Unaccompanied Housing	238,330	21.7
Community	32,390	2.9
Utilities	69,590	6.3
Energy Conservation	19,190	1.7
Occupational Safety and Health	14,790	1.4
Water Pollution Abatement	4,350	0.4
Real Estate	-	-
Exigent Minor*	30,000	2.7
Planning and Design	145,240	13.2
Access Roads	3,000	0.3
Total obligational authority requested	1,100,200	100.0

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*The total minor construction request (projects costing less than $1,000,000) is $62,760,000. This total includes $30,000,000 for unforeseen (exigent) construction requirements and $32,760,000 for specified locations. The costs for specified locations are included in the facility category totals.

Six military construction projects totaling $42.6 million support introduction of the Infantry and Cavalry Fighting Vehicles. Of the five projects in Germany, four are for upgrade of existing ranges to accommodate the increased firepower and to enable adequate training of personnel in employing the vehicles. The other project in Germany is a facility at Vilseck for training operators and crews how to maintain the vehicle. At Fort Benning, we plan to alter and upgrade an existing range and construct two new ranges to permit training on this new system.

Eighteen projects at a cost of $38.6 million support introduction of the Multiple-Launch Rocket System. Two projects at Fort Carson and two at Fort Stewart, totaling $3.5 million, will provide administrative facilities and tactical equipment shops at each location. Thirteen projects at four locations in Germany, totaling $32.9 million, will provide headquarters, barracks, dining facilities, and tactical equipment shops. The remaining funds are for construction of barracks at Camp Essayons, Korea.

Ten projects valued at $36.9 million support stationing of Combat Electronic Warfare Intelligence Units at five locations inside the US--Forts Campbell, Carson, Hood, Polk, and Stewart. The projects consist of a battalion headquarters, company administration buildings, and tactical equipment shops.

The remaining $60.4 million devoted to force modernization will provide barracks, training, and maintenance facilities for DIVAD units; facilities to support activation of Nuclear-Biological-Chemical Defense Companies and decontamination training; a maintenance training facility for M-1 tank mechanics; and maintenance and pilot training facilities for the Advanced Attack Helicopter.

US ARMY EUROPE (USAREUR)

As you are aware, modernization and replacement, as well as maintenance and repair, of US facilities in Europe were postponed until recently. In the thirteen years from FY 65 through FY 77, the European MCA Program averaged about $30 million per year. Beginning in FY 78, it began to be funded more realistically (CHART 4) and the quality of some of our facilities has been improved. Continued funding at these levels will permit modernization of many of the remaining unsatisfactory living and working facilities.

Our FY 83 program for USAREUR totals $264,380,000. Once again, it is the largest major Army command program, but in relation to actual requirements, it is an extremely austere program particularly when we consider the deplorable conditions in which we expect our soldiers to live and work. Nevertheless, the program represents a careful balancing of requirements within fiscal constraints.

In FY 83, the USAREUR program emphasizes improving the soldier's quality of life with almost 55% of the request allocated to construction of barracks, dining, medical, and community facilities. The new barracks will accommodate 39 officers and 47 enlisted men in Turkey and 3590 enlisted men in Germany.

At the same time we are not neglecting our commitment to improve the readiness of our forces in Europe. We are allocating 41% of the USAREUR request to improve facilities associated with operations and training, maintenance and production, utilities, supply, and administration.

UNITED STATES

Our budget request inside the United States this year identifies $473.2 million in major and specified minor construction projects. Those states scheduled for more than $40 million in construction are Texas, $83.75 million; California, $50.09 million; Kansas, $44.2 million; and Georgia $42.14 million. Fort Leavenworth, Kansas, and Fort Irwin, California, are scheduled for the largest installation level investment with $44.2 million and $31.34 million respectively. Two of the four projects at Fort Leavenworth, totaling $27.2 million, are to provide classrooms and visiting officer quarters for the 3000 officers who will attend the Combined Arms and Services Staff School annually on a temporary duty basis. One of the other projects will provide a gymnasium for one of the Army's major educational installations that today utilizes substandard facilities to maintain the physical conditioning of the student officers. The final project is the upgrade of the installation hospital, which I will discuss in more detail later. The majority of the projects at Fort Irwin constitutes the second phase of construction that supports establishment of the National Training Center. This year's program includes administrative and supply facilities, training ranges, road improvements, dining facilities, and vehicle wash facilities.

The largest single project in the United States is the modernization of the maintenance facility at Red River Army Depot, Texarkana, Texas. The project is urgently required to permit efficient overhaul and repair of light tracked vehicles and reconditioning and rebuilding of rubber road wheels and rubber track pads. The addition of the Bradley Fighting Vehicle to the normal workload required by the M-113 family of vehicles will stretch the current facility beyond its limits. However, this project will permit increased efficiencies thereby maximizing productivity that will result in payback in 2.3 years.

The FY 83 MCA budget request includes funds for the second phase of construction at the Binary Munitions Facility, Pine Bluff Arsenal, Arkansas. The first phase, approved in FY 81, is establishing production facilities for the 155mm artillery projectile. This year's project is for construction of facilities for loading, assembling, and packaging commercially procured components in support of the VX-2 Binary Chemical Bomb, also known as the BIGEYE. Completion of these facilities will enhance the chemical deterrent posture of United States forces.

KOREAN PROGRAM

The Army continues to support its commitment in the Western Pacific with a $72.91 million FY 83 MCA request in support of the Eighth US Army in Korea. Sixty percent of the request is allocated to replacing the deplorable living and working conditions of our forward deployed 2d Infantry Division. Let me emphasize, however, that while our construction standards at these locations are austere, they are consistent with enhancing individual, unit, and equipment readiness within the realities of the unaccompanied, overseas environment.

BALLISTIC MISSILE DEFENSE

Since the Administration has decided to continue research and development on an anti-ballistic missile defense capability to support the MX system, facilities to support the Army's Ballistic Missile Defense Systems Command have increased significance. In the FY 83 MCA budget request, we have included $21.6 million for construction of facilities on Kwajalein Atoll to be used in testing the Low Altitude Defense (LoAD) system. The facilities that currently exist have not been utilized since the early 1970s, when work on the SPRINT program was completed, and have deteriorated to a state where they must be modified and refurbished prior to use. In addition, $5.5 million is required to construct a missile launch complex at White Sands Missile Range, New Mexico, to be used in the preprototype demonstration of the LoAD system. Without these projects, LoAD cannot be properly tested and deployment of the system cannot be accomplished with any significant degree of confidence.

ARMY ENVIRONMENTAL PROGRAM

The FY 83 budget request for pollution abatement projects is testimony to the success we have had in bringing our installations in compliance with the Clean Water and Air Acts. In this year's program there are only two water pollution abatement projects totaling $4.35 million, one at Fort Knox, Kentucky, and one at Pine Bluff Arsenal, Arkansas.

The project at Fort Knox will prevent ground water contamination by construction of surface runoff interceptor ditches over an existing landfill. A sediment retention system to contain hazardous chemical residues will be constructed at Pine Bluff Arsenal in conjunction with the Phase II construction of the Binary Munitions Facility.

ARMY ENERGY PROGRAM

The Army continues to place considerable importance in conserving critical energy resources. The FY 83 Energy Conservation Investment Program consists of 21 projects at a cost of $19,190,000. Our calculations indicate that their completion will produce first year savings of $6,987,000. The various projects in the program include installation of weatherstripping and attic insulation, automatic heating controls, energy control systems, and heat recovery systems.

MEDICAL FACILITIES

The Army is continuing its medical upgrade program with a $54.85 million FY 83 MCA budget request for five projects. In Germany, we have programmed $29 million to renovate and alter the existing Bremerhaven hospital and construct new additions in order to make this 43-year-old facility a modern, functional hospital. At Fort Leavenworth, Kansas, we have programmed $13.6 million to upgrade the electrical, mechanical, and architectural systems at Munson Army Hospital so that it will meet current life safety and accreditation standards. The remaining $12.25 million will be used to build a modern troop treatment facility at Fort Ord, California, which will replace nine decentralized, inadequate facilities; to build a troop medical clinic at Camp Casey, Korea, to replace a 25-year-old facility that is presently located in seriously deteriorated quonset huts; and to upgrade Gorgas Army Hospital in Panama to provide a functional hospital for personnel assigned throughout Central and South America.

CONGRESSIONAL CONCERNS

During hearings on the FY 82 MCA request, the Appropriations and Armed Services Committees expressed concerns on which I would now like to report.

The US and German Governments have appointed representatives to participate in discussions toward obtaining direct funding of the Master Restationing Plan. The first meeting was held on 17 March 1982 and was successful. The Germans agreed to the establishment of a joint committee of experts to meet within 45 days. In the meantime, the FY 83 MCA budget request includes four projects associated with the Master Restationing Plan totaling $26.5 million. These projects will provide facilities for restationing two combat battalions at Vilseck and show US commitment to the Master Restationing Plan. However, I want to emphasize that these facilities are required for force modernization and will be utilized at Vilseck even if the Master Restationing Plan is not implemented at this location. The ultimate decision by the German Government on funding the Master Restationing Plan is independent of the requirement for the facilities at Vilseck that are included in the FY 83 MCA Program.

Funds provided to initiate design of the new headquarters for the US Army Forces Command, Fort McPherson, Georgia, are being utilized to award a design contract in May 1982 that will lead to design completion in 1983.

Concerning the Fort Gordon, Georgia, Family Practice Clinic, the Surgeon General is investigating the issue whether to renovate existing space or whether new construction is the most economical and feasible. The final determination is to be made in April 1982.

ARMY FAMILY HOUSING

At this point, I would like to turn to a subject of great interest and importance to our soldiers and their families. Living conditions impact on the quality of all our lives and are therefore important to each of us. The profession of arms places unique demands on our soldiers and their families. This makes quality of life an especially important issue to the soldier. For the Army, the provision of suitable living conditions is an imperative and thus one of our highest peacetime priorities. Key in this regard is adequate family housing.

MANAGEMENT OF ARMY FAMILY HOUSING PROGRAM

As you know, OSD, in accordance with Congressional guidance, has elected to return full management of family housing to the separate services and defense agencies in FY 1983. The Army roundly applauds and eagerly welcomes this decentralization. We look forward to controlling our own destiny in the family housing appropriation as we do in the other Army appropriations. I am delighted, therefore, to appear before this committee to present the Army's family housing budget request.

FY 1983 BUDGET REQUEST

The FY 1983 Army family housing budget request is for $1.092 billion in both authorization and appropriation. After consideration of adjustments for principal on debt (which now stands at about $117 million) and for reimbursements, the Army's total obligational authority (TOA) is for $1.062 billion. This is an increase over FY 1982 of $148 million with the FY 1982 supplemental--$228 million without the supplemental (Chart 5).

FY 1982 SUPPLEMENTAL REQUEST

The FY 1982 Supplemental to which I have referred is in the amount of $80.3 million appropriation and $34.7 million authorization. It is intended to alleviate the totally unacceptable living conditions which confront forward deployed service members and their families by reducing the backlog of family housing deferred maintainance in Europe ($76 million appropriation, $30.4

million authorization), and executing additional family housing leases in Korea ($4.3 million appropriation and authorization).

STATUS OF ARMY FAMILY HOUSING

There has been a decided upturn in family housing TOA since FY 1980; however, it is important to analyze where these increases occur. First, construction was virtually zero in FY 1980 while the FY 1983 request contains $186 million for much needed construction. Second, operations have increased because of both inflation and rising utilities costs, and maintenance has increased because of both inflation and increased funding for maintenance backlog. Third, leasing has increased to pay for those units that we executed under build-to-lease contracts during the FY 1980-81 period and will occupy in FY 1982-83.

Even with recent increases, we have a long way to go to recover from past underfunding in family housing. Since the late 1970s, family housing has been severly underfunded. This situation was further compounded by unrealistic inflation rates, unexpected increases in fuel costs, and, during FY 1978 through FY 1980, unfavorable fluctuations in foreign currency exchange rates. These factors and others have combined to generate large backlogs in most areas of family housing. Favorable consideration of the FY 1983 budget request will help repair past damage.

STEWARDSHIP OF ARMY FAMILY HOUSING

The $1.062 billion request is distributed against the major family housing subaccounts as follows: $186 million to construction, $871 million to operation and maintenance, and $5 million to debt payment (Chart 6). In addition to providing for construction and debt payment, these funds will support a housing inventory of nearly 157,000 units--a major portion of which is overseas (Chart 7).

Given our large, aging inventory of housing units, the Army must, on the one hand, apply its resources to take care of what it has. On the other hand, however, the Army must also meet other family housing requirements in support of its soldiers and their families. The Army has developed a program which attempts to balance two real and necessary resource competitors. This balance is met through a rational application of funds between the cost of ownership and program initiatives.

Those costs necessary to operate and maintain annually and to provide minimum essential improvements to the current family housing inventory comprise the cost of ownership. Program initiatives address other necessary family housing requirments of a dynamic and changing Army.

ARMY FAMILY HOUSING NEW CONSTRUCTION

Army policy requires that the first source of family housing is the civilian community. The Variable Housing Allowance (VHA) certainly supports this policy. There are cases, however, where civilian communities cannot support soldier requirements or where installations are so remote as to preclude such support. In these cases, new construction is undertaken.

All of the new construction projects proposed for FY 1983 are for family housing units except the consolidated community center which will support the 2600 Army and Navy families in a relatively new family housing area built at Aliamanu, Hawaii (Chart 8). Per Congressional guidance, the units in Germany are the first to be constructed overseas in many years. They are supported by economic analyses which indicate that, in these cases, construction is more economically feasible than leasing.

ARMY FAMILY HOUSING LEASING

Insofar as leasing is concerned, the domestic leasing program is being phased down to termination by the end of FY 1983. This will leave only foreign locations where we continue to have a pressing problem. Although we are proposing to begin some overseas construction in FY 1983, economic analyses do not support construction in all cases. Hence, we must continue to rely on leasing as an alternative in overseas areas. Europe, for example, has a current known requirement for 8651 additional housing units to meet existing family housing shortfalls and to support families associated with new systems and organizations. Congress approved 1794 additional lease authorizations in FY 1982, and the FY 1983 request proposes 313 units of new construction and

4612 additional lease authorizations. This will leave a deficit of 1932 units which are planned for construction in the 1984-1987 period. Between current and requested lease authorizations and budgeted and planned new construction we will have resolved Europe's known deficits in family housing over the next five years. While not an immediate solution, we are attempting to solve our European problem as fast as possible.

For FY 1983, we are requesting authorization for the additional 4612 leases in Europe and for a 1000 lease managerial float. The 1000 lease managerial float will give us an essential managerial flexibility. These "float" leases are not surplus to needs. Given that the length of the programming and budgeting cycle tends to restrict action on targets of opportunity, these leases will either be committed during FY 1983 to relieve critical housing deficiencies as opportunities are presented, or serve to reduce subsequent year authorization requests.

Our overall performance in executing leases in the late 1970s was not as good as we would have desired. Our ability to execute leases was degraded by a host of factors, such as strikes, environmental objections, unwillingness on the part of local citizens to approve "American Ghettos" in their communities, weather delays, and uncertainty as to force structure composition and stationing. We have improved in this regard as a result of focused management, improved definition of requirements through better tying of housing to stationing, and enhanced relations with the German Government and its citizens.

As to our foreign leases, most are negotiated under build-to-lease contracts. It must be noted that there is about a one and a half to two year lag between authorization and occupancy under such contracts. Leases authorized in FY 1983 will be ready for occupancy in late FY 1984 or early FY 1985. Hence, we budget against occupancy; funds for additional leases authorized in FY 1983 will not be requested until FY 1984 or FY 1985.

ARMY FAMILY HOUSING DEFERRED MAINTENANCE

Deferred maintenance comprises that maintenance and repair work scheduled for completion in an annual work plan but not accomplished due to insufficient funding. It continues to be a major problem.

Our deferred maintenance backlog remains too large, particularly in Europe, whose $269 million accounts for almost two-thirds of our total backlog of $421 million (Chart 9). The rise in deferred maintenance in FY 1980 was the result of an intensive verification effort. Although the chart indicates a reduction in the backlog since then, the downward trend is the result of increased funding for Europe. The chart does not reflect that the backlog continues to grow in the rest of the Army. Notwithstanding the net reduction, however, deferred maintenance is not being reduced as rapidly as we would like.

The rate of reduction of deferred maintenance backlog must be understood as it is not solely a function of funds applied to the backlog. Other factors retard reduction and need to be recognized. For example, given the end of FY 1982 backlog, one would have to add to it a year's worth of deterioration, inflation for FY 1983, and any new maintenance work identified in the annual work plan. This sum would give the total maintenance requirement for FY 1983. Substracting from this the amount of maintenance funds applied, the net result would be the end of FY 1983 backlog. Backlog is not reduced simply by an amount equal to the funds applied to the backlog. The funds applied must first attain a containment level before a reduction will be evident.

ARMY FAMILY HOUSING POST ACQUISITION CONSTRUCTION

Post acquisition construction also suffers from a significant backlog, particularly in the area of improvements. Whereas deferred maintenance is the unfunded maintenance and repair work required to bring family housing to a state of proper condition, an improvement is an alteration and/or addition to family housing to make it consistent with contemporary standards of livability.

The backlog of improvements remains too large throughout the world with Europe accounting for about one-third of the $727 million backlog (Chart 10). The $66 million for improvements in this budget will continue the modest reduction begun in FY 1981. As is the case in the deferred maintenance backlog, however, the reduction in improvements backlog is the result of increased funding for Europe. The chart does not reflect that the backlog continues to grow in the rest of the Army. Delays in accomplishing improvements force the cost of work up due to inflation. While the funds applied accomplish the dollar level of work paid for, the unfunded work costs more in subsequent years. Thus, unless large, the funds applied tend merely to contain the dollar level of work with little reduction in work accomplished.

The Energy Conservation Investment Program (ECIP) is relatively new in family housing. The FY 1983 budget request contains $43 million for this purpose.

HOMEOWNERS ASSISTANCE PROGRAM

Let me digress for just a minute to address the Homeowners Assistance fund. This is an OSD fund which the Army administers for all three Services as the DOD executive agent. The purpose of the fund is to reduce losses to DOD employee homeowners as a result of base closure or reduction in scope of operations. The FY 1983 budget request in both authorization and appropriation is $4 million. Upon consideration of resources applied from the recovery of government investments in properties through sale, the Army's TOA is $6 million.

SUMMARY

Mr. Chairman, in summary, I would like to emphasize that the Army's FY 83 Military Construction budget request reflects the needs stated by the Secretary of the Army and the Chief of Staff. The program continues the Army's effort to modernize its forces, improve the soldier's quality of life, and replace deteriorated facilities. It includes those projects of highest priority while being consistent with fiscal realities. Approval of the request will enhance the Army's ability to acquire and retain the quality soldier and supports improvement of the Army's operational readiness and war fighting ability. In the Army's FY 1983 family housing budget request, we believe we have developed a balanced program which embraces both the cost of ownership and other necessary family housing requirements. We propose to meet our obligations to annually operate and maintain our family housing inventory. Further, insofar as possible, we intend:

- to house additional soldier families via construction and/or lease,
- to continue to fix our inventory by further reducing the backlog of deferred maintenance, and
- to bring more of our aging inventory up to contemporary standards of livability through post acquisition construction.

With your help, we will provide suitable living conditions for our soldiers and their families.

Sir, this concludes my statement. I would be pleased to answer any questions or arrange for their insertion into the record.

CHART 1

FY 83 MCA

FACILITY CATEGORY	($000) AUTHORIZATION	APPROPRIATION
OPNS AND TNG	190,460	190,460
MAINT AND PROD	241,970	257,470
RDTE	32,050	32,050
SUPPLY	6,510	6,510
MEDICAL	54,850	54,850
ADMIN	1,980	1,980
HOUSING	238,330	238,330
COMMUNITY	32,390	32,390
UTILITIES	69,590	69,590
ECIP	19,190	19,190
OSHA	14,790	14,790
POLLUTION ABATEMENT	4,350	4,350
REAL ESTATE	-	-
EXIGENT MINOR	30,000	30,000
PLANNING AND DESIGN	-	145,240
ACCESS ROADS	-	3,000
ARMY AMMUNITION PLANTS	25,680	-
	962,140	1,100,200

CHART 2

FY 83 MCA BUDGET REQUEST

	%	($ Million)
NEW MISSION	46	508
CURRENT MISSION	11	126
REPLACEMENT/MODERNIZATION	26	288
EXIGENT MINOR	3	30
GENERAL AUTHORIZATION	14	148
TOTAL	100	1,100

CHART 3

REQUIREMENTS VS FUNDING PROFILE [1]

	REQUIREMENTS				FUNDING	
	NEW MISSION	CURRENT MISSION	PLANT/ REPLACE MOD	TOTAL BACKLOG	MCA 83-87	$ BAL
OPNS & TNG	999	1206	1240	3445	1912	1533
MAINT & PROD	496	993	2056	3545	1987	1558
R&D	45	219	184	448	477	(29)
SUPPLY	58	1003	868	1929	794	1135
MEDICAL	24	423	760	1207	1068	139
ADMIN	67	369	682	1118	438	680
HOUSING	350	862	1482	2694	1483	1211
COMMUNITY	78	756	1772	2606	1225	1381
UTILITIES	92	1170	1817	3079	1043	2036
ECIP/APC/WPC	-	-	1504	1504	760	744
REAL ESTATE	-	46	-	46	6	40
TOTAL	2209	7047	12365	21621	11193[2]	10428[3]

[1] FY 83 constant dollars in millions

[2] Does not include exigent minor and general authorization

[3] Does not consider inflation or additional requirements

CHART 4

USAREUR MCA PROGRAM

FISCAL YEAR	MCA FUNDING ($ Million)
65-77	388.7
78	171.1
79	199.5
80	109.0
81	140.6
82	287.3
83	264.4

CHART 5

ARMY FAMILY HOUSING

TOTAL OBLIGATIONAL AUTHORITY
($ Million)

FY76	FY77	FY78	FY79	FY80	FY81	FY82	FY82*	FY83
565	549	521	593	592	783	834	914	1062

* Includes Supplemental Request

CHART 6

ARMY FAMILY HOUSING

FUND DISTRIBUTION - FY 83 BUDGET REQUEST
($ Million)

	CONST	O&M	DEBT	TOTAL
CONUS	87	327	5	419
EUROPE	86	414	0	500
OTHER	13	130	0	143
TOTAL	186	871	5	1,062

CHART 7

ARMY FAMILY HOUSING INVENTORY
(End FY 83 Estimate)

	OWNED	LEASED	TOTAL
CONUS	87,252	0	87,252
EUROPE	41,280	11,371	52,651
OTHER	15,780	1,275	17,055
TOTAL	144,312	12,646	156,958

CHART 8

ARMY FAMILY HOUSING

NEW CONSTRUCTION - FY 83 BUDGET REQUEST

LOCATION	NO. UNITS
Fort Irwin, California	144
Fort Lewis, Washington	115
Grafenwoehr, Germany	143
Hohenfels, Germany	13
Wildflecken, Germany	157
Aliamanu, Hawaii	*
TOTAL	572

*Consolidated Community Center

CHART 9

ARMY FAMILY HOUSING

DEFERRED MAINTENANCE BACKLOG

(End of Year - $ Million)

FY76	FY77	FY78	FY79	FY80	FY81	FY82	FY83
186	210	294	274	507	491	421	391

CHART 10

ARMY FAMILY HOUSING

IMPROVEMENTS BACKLOG

(End of Year - $ Million)

FY76	FY77	FY78	FY79	FY80	FY81	FY82	FY83
472	528	592	663	742	742	727	712

BIOGRAPHICAL SKETCH

BRIGADIER GENERAL NORMAN G. DELBRIDGE, JR.

Brigadier General Norman G. Delbridge, Jr., was born 4 January 1928 in Detroit, Michigan. He is a 1953 graduate of the US Military Academy, having also served as an enlisted man and active reserve officer for three years prior to entry into West Point.

He holds a master's degree in civil engineering from Iowa State University and is a registered professional engineer. General Delbridge is a graduate of the US Army Command and General Staff College and the Army War College; has attended Michigan Technological University at Houghton, Michigan; and has served two years as Assistant Professor of Military Science at Michigan State University at East Lansing, Michigan.

General Delbridge's service with engineer troop units has included tours in Korea as commander of a combat engineer company in the 3d Infantry Division and in Vietnam as commander of the 4th Engineer Battalion, 4th Infantry Division. He has also commanded the Division Support Command of the 3d Armored Division in Germany.

In addition to various staff positions, recent assignments have included tours as the South Pacific Division Engineer in San Francisco; as European Division Engineer in Frankfurt, Germany; with the Army Staff; and as the District Engineer at Pittsburgh, Pennsylvania.

On 15 September 1980 General Delbridge was assigned to the Office of the Chief of Engineers with duty as the Assistant Chief of Engineers.

Senator **Warner**. I am very anxious, General—my schedule is a little precarious—to get done with General Fulwyler's presentation since that is within the jurisdiction of my subcommittee. Would that be agreeable if we were to go ahead and receive that?

General **Delbridge**. Absolutely, Mr. Chairman, we are prepared to do that at any time.

Senator **Warner**. I appreciate it. Then, that would be followed by the BMD presentation.

General **Delbridge**. Yes, sir.

Senator **Warner**. Do we need executive session for either of these presentations?

General **Fulwyler**. No, Mr. Chairman.

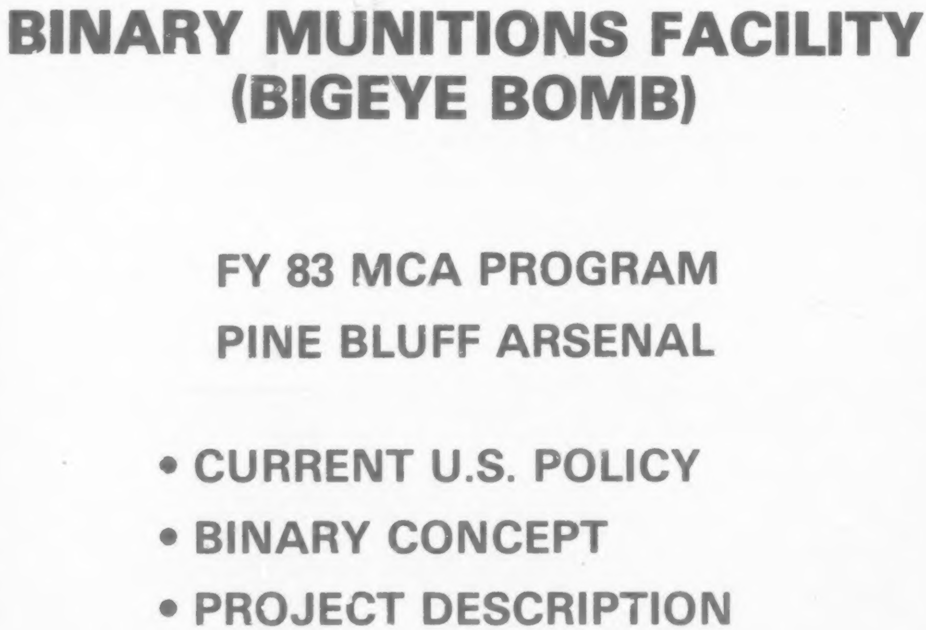
Senator **Warner**. Thank you.

General **Delbridge**. In the BMD portion, Mr. Chairman, we do not have a presentation as such. We are prepared to offer that if you desire, and that would have to be in executive session.

DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS, NUCLEAR AND CHEMICAL DIRECTORATE

STATEMENT OF MAJ. GEN. NILES J. FULWYLER, DIRECTOR, NUCLEAR AND CHEMICAL DIRECTORATE, OFFICE OF DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS

General **Fulwyler**. Good morning, Mr. Chairman. I appreciate the opportunity to appear and explain in some detail what is involved in the binary facility we propose to construct down at Pine Bluff. The phase II facility is for the Bigeye bomb which is in the program this year.



BINARY MUNITIONS FACILITY
(BIGEYE BOMB)

FY 83 MCA PROGRAM
PINE BLUFF ARSENAL

- CURRENT U.S. POLICY
- BINARY CONCEPT
- PROJECT DESCRIPTION

Slide 97

U.S. POLICY REVIEW

Before talking about and describing the facility itself, though, I would like to again review the U.S. policy and discuss the binary concept very briefly.

CURRENT U.S. POLICY

- GENEVA PROTOCOL — NO FIRST USE
- SEEK VERIFIABLE BAN
- DETER USE AGAINST U.S. AND ALLIES
  - STOCKPILE MODERNIZATION
  - IMPROVED DEFENSE

SLIDE 98

NO "FIRST USE" POLICY BY THE UNITED STATES

As you well know, the United States is formally committed to a policy of no first use of lethal or incapacitating chemical agents. Now, this longstanding policy is in full compliance with the Geneva Protocol of 1925. The protocol does not prohibit research and development, production, and the storage of chemical weapons.

Some 30 nations, including the United States and the Soviet Union, entered reservations at the time of ratification of the treaty which permits the retaliatory use of chemical weapons.

Thus, contrary to what many people believe, the protocol is considered a "no first use" agreement rather than a prohibition against the use of chemical weapons in warfare.

The United States continues to seek a complete and verifiable ban on chemical weapons. Negotiations toward this goal have been underway for several years, but progress has been slow due to the complex and critical problems of verification.

In the absence of such an agreement, and in view of the Soviet Union's large and growing chemical warfare capabilities, I believe that the United States must have a credible total chemical capability as a deterrent. This capability to retaliate "in kind" is a key element of the deterrent against the Warsaw Pact first use of chemicals and, should this deterrent fail, provides us a nonnuclear alternative to limit or halt the use of chemicals at the lowest possible level. If there is no clear, credible capability to respond, I do not believe the enemy will be deterred.

The United States has not produced chemical weapons since 1969 and currently, in my judgment, we only have a marginal capability to retaliate in kind to an enemy first use of lethal chemical weapons. The serviceable munitions stockpile is decreasing each day, contrary to what some would tell you. Because of the deterioration which is taking place through aging and obsolescence, the majority of the current stockpile will be unserviceable by the late 1980's.

Development of a credible deterrent requires both stockpile modernization and improved defensive measures. It is important to note that defensive measures alone does not provide deterrence.

Because of the serious asymmetry between the United States and the Soviet CW capabilities, and without any encouraging progress in negotiations, the President has determined that binary modernization is essential to the national interest and has so notified the Congress.

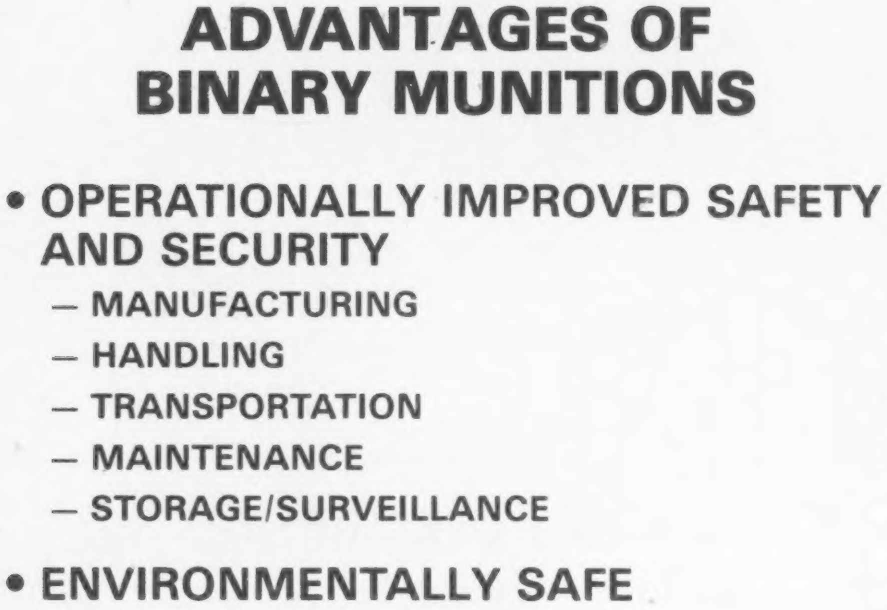
BINARY CONCEPT

- TWO NON-LETHAL CHEMICALS
- ASSEMBLED PRIOR TO EMPLOYMENT
- LETHAL AGENT FORMED IN-FLIGHT

Slide 99

BINARY CONCEPT

As stated in the President's certification letter, the binary munition system is the desired alternative for stockpile modernization. The binary concept is a process in which two nonlethal chemicals are assembled in a munition just prior to employment and combine to form a lethal chemical agent while in flight to the target.



ADVANTAGES OF BINARY MUNITIONS

- OPERATIONALLY IMPROVED SAFETY AND SECURITY
  - MANUFACTURING
  - HANDLING
  - TRANSPORTATION
  - MAINTENANCE
  - STORAGE/SURVEILLANCE
- ENVIRONMENTALLY SAFE

SLIDE 100

ADVANTAGES OF BINARY MUNITIONS

The binary concept offers many distinct advantages when compared to the current unitary agent munitions. These advantages are shown on the screen.

Binary munitions are operationally safe; free of complex and costly production, handling, transportation, maintenance, and potentially more acceptable for storage in areas now denied our current munitions stockpile. Disposal of binaries would also be relatively easy and inexpensive.

Storage and surveillance are also simplified. There is no danger of nerve agent leakage. Since the binary reactants are stored separately, no unique storage procedures are required other than the normal conventional security and safety measures.

Senator WARNER. General, on that point, as you know, you and I have worked on this subject for years now and it just occurred to me, was this technology known several years ago?

General FULWYLER. We have known about this technology for a number of years, sir. As a matter of fact, the Army has been trying for 10 years, I would estimate, to obtain binary monitors. The formulas and chemical processes for producing binary agents are common knowledge and have been available to the public in unclassified form for a number of years.

Senator WARNER. What would you estimate would be the earliest date at which technicians felt it was feasible to construct this type of weapon?

General FULWYLER. I am sorry, sir.

Senator WARNER. What would be the earliest date, in your judgment, when this technology was thought to be feasible, in the aftermath of World War II?

General FULWYLER. Oh, yes, I would say after World War II. I would say probably in the 1960's, I am not certain of the exact date.

Senator WARNER. I am just curious as to why we did not do it in the latter stages of the program which terminated in 1969.

General FULWYLER. I would say this process probably became known somewhere in the mid-1960's. Of course, with the change in our national policy in 1969 with President Nixon, I would imagine that the policy put a damper on any further work being done on binary. The Army reinitiated interest in this in the mid-1970's, but since that time we have been unable to get the program approved.

Senator WARNER. Would you excuse us a minute?

[Discussion off the record.]

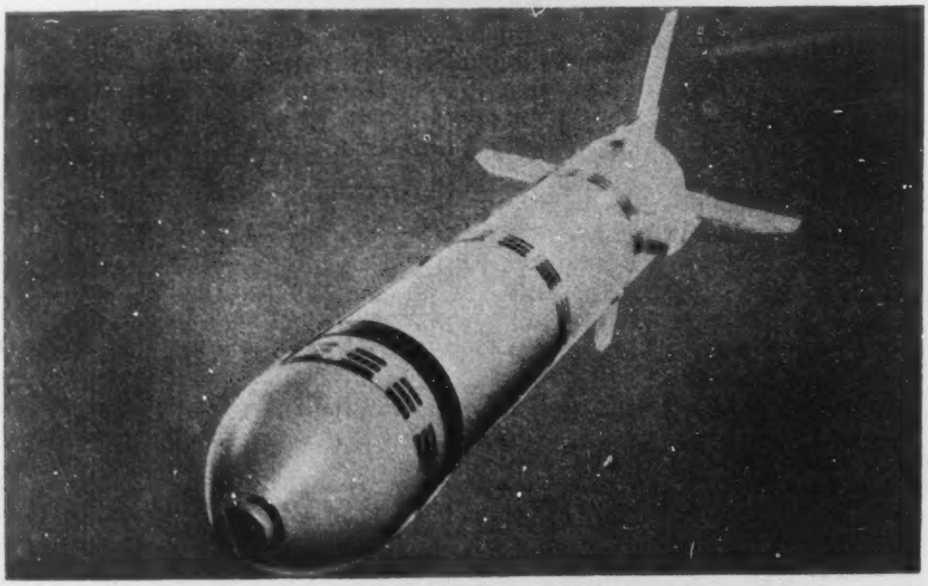
General FULWYLER. Then, finally, as shown on the chart, binary munitions can be produced in an environmentally safe manner.

PROJECT DESCRIPTION

- BIGEYE BOMB
- PBA SELECTED SITE
- PREVIOUS AUTHORIZATION
- BIGEYE FACILITY

BIGEYE

BIGEYE (BLU/80B)
BINARY CHEMICAL BOMB

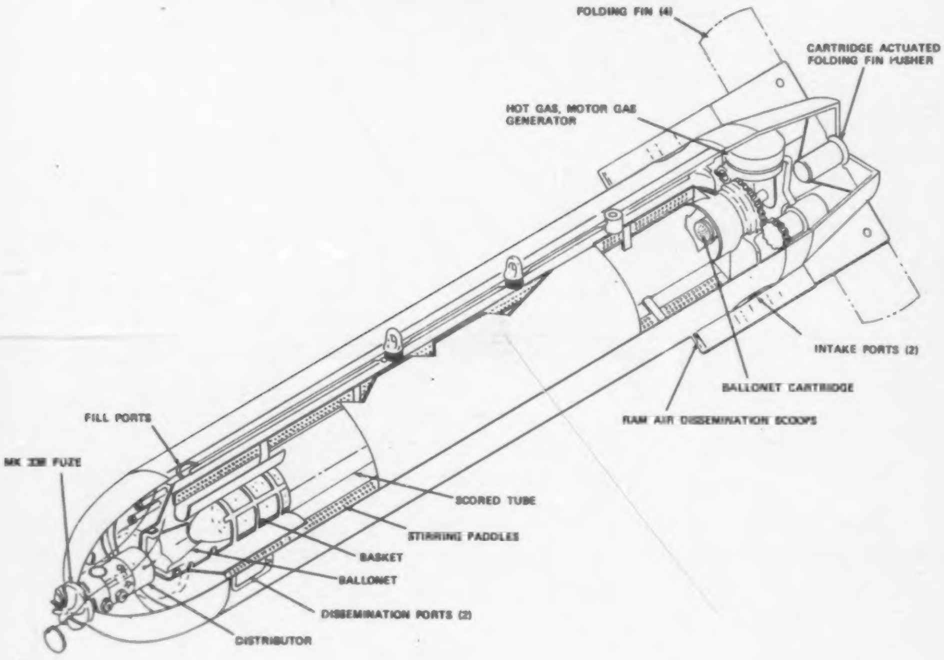


SLIDE 101

BIGEYE BOMB

Now, let me get to the point of this particular program. Let me briefly describe the Army's Integrated Binary Production Facility, specifically the Bigeye bomb phase of that facility at Pine Bluff Arsenal, Ark. This MCA project supports the Bigeye binary VX–2 bomb. The Bigeye bomb itself is being developed by the Navy as lead agency. The system is designed for use by the Air Force, Marine Corps, and Navy fixed-wing aircraft and will provide a binary chemical retaliatory capability primarily for use against second echelon and other deep targets.

CUTAWAY DRAWING OF BLU-80/B BIGEYE BOMB

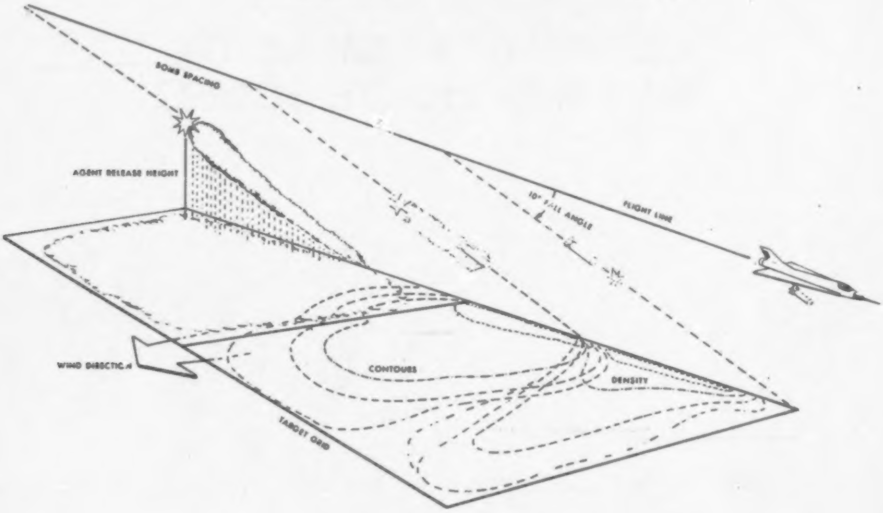


SLIDE 102

BOMB COMPONENTS

The major components of the bomb include the airframe and reactor dissemination subsystem. The two chemical compounds used in the Bigeye are QL and rhombic sulphur. Immediately before the bomb is released from the aircraft, it is electrically activated and the reactants are mixed to produce the liquid nerve agent. Dissemination is accomplished through ports using rear ram-air scoops.

BIGEYE DISSEMINATION



Slide 108

EFFECT OF BOMB ON TARGET

Once mixed, the bomb would be released from the aircraft and the agent disseminated over the target, as shown on the chart.

SLIDE 104

PBA—SELECTED SITE

- **Chemical expertise**
- **Adequate space**
- **Existing support facilities and utilities**

SITE OF BIGEYE FACILITY

Pine Bluff Arsenal, Ark., was selected as the site for the Bigeye bomb facility.

Pine Bluff has an experienced labor and technical force, a manufacturing area capable of supporting the facility requirements, and has an existing utility system which will support the area of construction.

As you know, Pine Bluff was also the site selected for construction of the 155-mm GB-2 binary artillery projectile facility authorized by Congress in 1981. Consequently, the Arkansas site will be an Integrated Binary Production Facility.

Construction of this phase commenced on October 20, 1981 and will provide facilities and equipment to manufacture one of the chemical precursors—difluoro in this case—fill and seal the canisters, and facilities to load, assemble and pack the 155 projectiles. The second chemical precursor, a mixture of isopropyl alcohol and isopropylamine would be procured commercially and stored at a separate installation.

Slide 105

PINE BLUFF SITE

Depicted here is an aerial view of the old chemical manufacturing area at Pine Bluff. The site for the 155 manufacturing process and the Bigeye load and packout facilities requested in this year's program.

BIGEYE BOMB FACILITY

- BIGEYE BOMB LOAD, PACKOUT AND SUPPORT FACILITY
- HAZARDOUS LANDFILL
- SITE PREPARATION/CLEAN-UP

Slide 106

BIGEYE BOMB PROJECT

The proposed Bigeye bomb project consists of three major parts. the Bigeye bomb load, packout, and support facilities; the construction of a hazardous landfill, and the demolition and site cleanup of the contaminated manufacturing area. This contaminated area contains primarily DDT, arsenic, and lead from previous World War II production projects.

The construction of the Bigeye binary bomb QL–loading, packout, and support facilities will include the following:

BIGEYE BOMB LOAD, PACKOUT AND SUPPORT FACILITY

- BIGEYE FILL AND CLOSE BUILDING
- ADMIN/CHANGE BUILDING
- CONTROL, PERSONNEL AND SWITCH ROOM
- SENTRY STATION
- BOILER/AIR COMPRESSOR FACILITY
- FIVE STORAGE IGLOOS

SLIDE 107

BUILDING CONSTRUCTION

A Bigeye fill and close building designed for the QL filling, and seal, and packing of the Bigeye bomb.

An administration and change building which will provide office space and change and shower facilities for employees in the production area.

Control, personnel, and switch room which would serve as the operations center for both fill operations and waste processing.

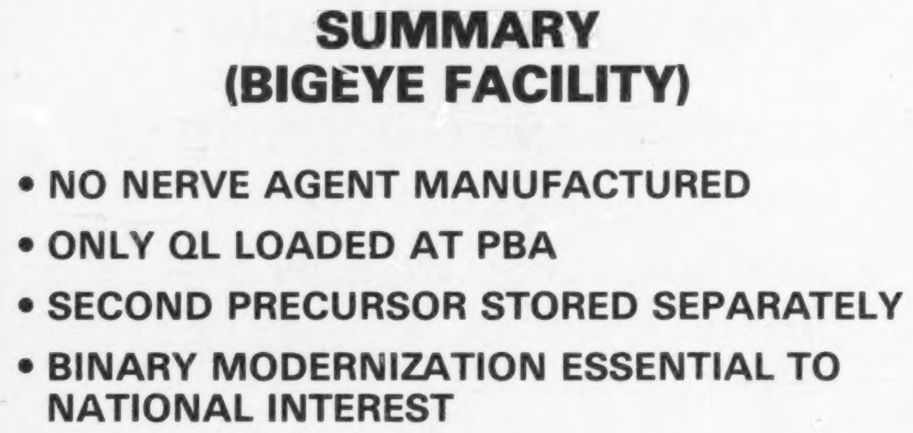
A sentry station which provides a clear view of facilities and restricts personnel access.

A boiler/air compressor facility which provides the steam for heating and the air for fill operations in the manufacturing process.

Finally, five storage igloos which would provide an interim storage capability until the bombs could be shipped to a permanent storage area.

Funding for the QL filling and waste treatment equipment will be requested in the fiscal year 1984 procurement appropriations to meet the design and construction schedules.

Now, the hazardous waste landfill area occupies about 80 acres in the northwest section of Pine Bluff Arsenal and includes 2 acres developed under this project for containment of debris and contaminated soil from the site cleanup project I mentioned earlier, which stems primarily from World War II projects.



SUMMARY
(BIGEYE FACILITY)

- NO NERVE AGENT MANUFACTURED
- ONLY QL LOADED AT PBA
- SECOND PRECURSOR STORED SEPARATELY
- BINARY MODERNIZATION ESSENTIAL TO NATIONAL INTEREST

Slide 108

ACTIVITIES OF PINE BLUFF ARSENAL

In summary, I would emphasize that Pine Bluff Arsenal will not be used to manufacture chemical nerve agents. Only one of the precursors—in this case the chemical QL—would be loaded into the bomb while it is at Pine Bluff. The second component would be procured from commercial sources, stored at a separate location, and will only be united with the munition just prior to employment.

I should also emphasize that this project represents the second phase in the establishment of the binary chemical munitions capability of this country. The first phase, as General Delbridge mentioned, was authorized by Congress in 1981. In my judgment we have already waited too long to modernize our chemical stockpile.

This Bigeye project is critical in the provisioning of a credible CW retaliatory capability for this country. We owe our fighting forces no less.

Thank you, Mr. Chairman. I will be happy to respond to any questions on binary facilities.

Senator **Thurmond**. Thank you very much. We are rather short of time today and if it is agreeable we will submit some questions for the record.

General **Delbridge**. That is fine, Mr. Chairman.

Senator **Thurmond**. Thank you, gentlemen.

We will be glad, now, to hear from the Guard and Reserve representatives.

If you gentlemen are agreeable we will just put your entire statement in the record, and if you will very briefly summarize. We have a lot of things moving today and we cannot be here but a few minutes. So, without objection, your full statements will go into the record. If you would just take a few minutes each and summarize your statements.

ARMY NATIONAL GUARD

STATEMENT OF BRIG. GEN. HERBERT R. TEMPLE, JR., DEPUTY DIRECTOR, ARMY NATIONAL GUARD

General **TEMPLE**. Mr. Chairman, I have a brief statement to make for the Army National Guard.

My name is Brig. Gen. Herbert R. Temple, Jr., the Deputy Director of the Army National Guard. It is a pleasure to appear before this committee at this combined hearing. My purpose is to present the fiscal year 1983 military construction requirements of the Army National Guard and to request the necessary authorization and appropriations to satisfy these needs.

As you know, as part of the total Army, the Army National Guard is a key element in the defense of the United States. The citizen-soldier of the Army National Guard willingly provides his time and effort to be ready should mobilization come. He must have training, equipment, and leadership necessary to help prepare him for whatever the mission may be.

The resources provided to the Army National Guard are applied to this end and this statement will provide an insight as to what has been done in the past and what is necessary this year and in the future.

The Army National Guard has made significant gains since 1978 when the assigned strength declined to a low of only 344,000. You will be pleased to know, this month the Army Guard's strength has passed the 400,000 mark, and with the continued support from the Congress and the Nation it appears as though the fiscal year 1987 wartime required strength of 453,000 will be reached a year sooner.

The core of the Army National Guard training program at the local level is the training assembly, where training of individual soldiers, leaders, staffs, and units continues to be focused on increased use of local training sites. The use of these local facilities reduces traveltime and improves performance in the training which enhances readiness, and as a side effect increases retention and recruiting. On-going training site requirements studies are being conducted to determine the types of facilities required for expanded use of these training sites.

Similar hard looks are being taken to define the inadequacies of current Army National Guard facilities to support the increased logistics and surface vehicle and aircraft maintenance associated with expanding and modernizing the Army National Guard.

The construction program submitted for your consideration this fiscal year is to provide those facilities which will make the greatest contribution to readiness and which are essential for proper development, training, operation, support, and maintenance of the Army

Guard to meet premobilization requirements. The Army National Guard military construction requirements were developed by identifying the specific missions of our forces and then determining the facilities necessary to support these missions.

Our $51.1 million 1983 budget submission contains requests for authorizations of $33 million for armory and nonarmory facilities. This program will support mission requirements in 22 States, Puerto Rico, and the Virgin Islands with the construction of 20 armory and 23 nonarmory facilities.

The nonarmory facilities include four aviation facilities, eight vehicle maintenance shops, eight training facilities, two logistical support facilities, and one motor vehicle storage building. This request represents an estimated $16.2 million for armory projects and $1.68 million for nonarmory projects. All of these projects are urgently needed to support training and unit readiness. The $18.1 million is requested for minor construction, planning and design.

Although the minor construction projects are not individually justified in our budget, a major part of these funds requested is programed for modernizing ranges and specialty training areas of local training sites mentioned earlier. Your support to secure the necessary appropriations for this effort will greatly assist in achieving our mobilization preparedness.

Mr. Chairman, this concludes my abbreviated statement on behalf of the Army National Guard.

[The prepared statement of Gen. Herbert Temple follows:]

PREPARED STATEMENT OF BRIG. GEN. HERBERT R. TEMPLE, JR.

DEPUTY DIRECTOR

ARMY NATIONAL GUARD

Mr. Chairman and Members of the Committees:

It is a pleasure to appear before these committees at this combined hearing. My purpose is to present the fiscal year 1983 military construction requirements of the Army National Guard and to request the necessary authorization and appropriations to satisfy these needs.

As part of the total Army, the Army National Guard (ARNG) is a key element in the defense of the United States. The citizen-soldier of the ARNG willingly provides his time and effort to be ready should mobilization come. He must have training, equipment, and leadership necessarv to help prepare him for whatever his mission may be. The resources provided to the ARNG are applied to this end and this statement will provide an insight as to what has been done in the past and what is necessary this year and in the future. At the onset, it is important to understand that the ARNG must be ready to go to war - today and tomorrow. All ARNG units have valid total Army mobilization missions and the number of ARNG high priority units is increasing. These units provide essential combat and logistical support needed early in the deployment process.

The ARNG has made significant gains since FY 78 when the assigned strength declined to a low of 344,000. This past month, the Army Guard strength passed the 400,000 mark and with continued support from the Congress and the nation, it appears that the FY 87 wartime required strength of 453,000 will be reached a year sooner.

Mobilization preparedness represents the ultimate objective of all the efforts of the ARNG. To achieve this objective, the Chief, National Guard Bureau, through the Director, Army National Guard, has embarked on various initiatives to train and equip this expanded combat force and prepare the units for mobilization.

The core of the ARNG training program at the local level is the training assembly, where training of individual soldiers, leaders, staffs and units continues to be focused on increased use of local training sites. Use of these local facilities reduces travel time and improves performance oriented training which enhances readiness, and as a side effect, increases retention and recruiting. Ongoing training site requirements studies are being conducted to determine the types of facilities required for expanded use of these training sites.

Similar hard looks are being taken to define the inadequacies of current ARNG facilities to support the increased logistics and surface vehicle and aircraft maintenance associated with expanding and modernizing the Army Guard.

The construction program submitted for your consideration this fiscal year is to provide for those facilities which will make the greatest contribution to readiness and which are essential for proper development, training, operation, support, and maintenance of the Army National Guard to meet premobilization requirements. The Army National Guard military construction requirements were developed by identifying the specific missions of our forces and then determining the facilities necessary to support those missions.

Our $51.1 million FY 83 budget submission contains requests for authorizations of $33 million for armory and nonarmory facilities. This program will support mission requirements in 22 States, Puerto Rico, and the Virgin Islands with the construction of 20 armories and 23 nonarmory facilities. The nonarmory facilities include four aviation facilities, eight vehicle maintenance shops, eight training facilities, two logistical support facilities, and one motor vehicle storage building. This request represents an estimated $16.2 million for armory projects and $16.8 million for nonarmory projects. All of these projects are urgently needed to support training and unit readiness. $18.1 million is requested for minor construction, planning and design. Although the minor construction projects are not individually justified in our budget request, a major part of funds requested are programed for modernizing ranges and specialty training areas of local training sites mentioned earlier. Your support to secure the necessary appropriations for this effort will greatly assist us in achieving our mobilization preparedness objectives.

As all Army programs have suffered, the annual appropriations for the Army National Guard military construction programs have not kept pace with the effects of inflation that occurred in the late 70s. For example, a project costing $400,000 in the FY 78 program will cost approximately $610,000 today. The cumulative dollar shortfalls in the construction program funding, caused in part by inadequate compensation for the effects of inflation, have prevented an aggressive and sustained attack on the growing backlog of construction needs, which increased from $740 million at the end of FY 81 to $800 million at the end of FY 82.

Because of constrained funding for the MCARNG program, emphasis over the past few years has been directed toward renewal of the existing, outdated, or inadequate facilities in order to maintain an acceptable level of premobilization training and to improve troop morale and retention. With the programed increases in the basic equipment issues and programs to modernize outdated weapon systems, additional requirements for logistical and maintenance facilities and to develop advanced weapons training ranges have further made impact on the construction backlog and helped raise the total of unfinanced requirements to the current projection of $800 million.

Mr. Chairman, this concludes my prepared statement on behalf of the Army National Guard. I would like to express our appreciation for the support these subcommittees have given to our construction program. If there are any questions, I will be pleased to furnish the information that you require.

ARMY RESERVE

STATEMENT OF BRIG. GEN. CARL D. McINTOSH, DEPUTY CHIEF, ARMY RESERVE

General McINTOSH. I am Brig. Gen. Carl McIntosh, the Deputy Chief of the Army Reserve. Sir, it is my pleasure to present the 1983 Army Reserve military construction program.

On the very positive side I would like to start out with the fact that the Army Reserve is also increasing in strength. Our troop program units are now over 226,000 and the individual Ready Reserve is at 213,000.

As far as recruiting is concerned, we are exceeding all the goals that have been set forth and we are improving on the quality of the accessions who come into the Army Reserve. Also, we are meeting all the retention goals.

Through the construction program we provide and are responsive to the most critical needs of the Army Reserve. The higher priority units are taken into consideration first and the two things that we mainly concentrate on are the facilities necessary for training the soldiers, storing the equipment and maintaining the equipment at the USAR centers and also the facilities that are necessary for 2-week annual training where they are not otherwise provided for.

During the past 2 years we have initiated some new programs and procedures in the U.S. Army Reserve construction program. Instead of having one single list of needs, we have broken that down into a 5-year program that we review quarterly on a planning and coordination basis and also on an annual basis with the other reserve components for joint construction opportunities.

This permits faster design and more timely award of projects. For example, all 1981 and prior year projects have been awarded. So far this year, of our 32 projects we have awarded 10, advertised an additional two. By mid-May we will have awarded 50 percent of our projects, 16 of the 32, and by mid-August we will have awarded all but one project.

OSD has made a policy change that has been very helpful in the execution of our program. The policy now allows to acquire property 3 years prior to the time the project is awarded, and this fits very nicely into our 5-year program since it takes approximately 26 months to get a project designed and ready for execution.

Now, we do have one major area of concern. Last year we identified $848 million in backlog in the U.S. Army Reserve. This year we are identifying $938 million in backlog. The fact is, our backlog has been growing faster than our programs.

Even if you eliminate all the projects that cannot currently be constructed due to the constraints that we have within our program, particularly in strength, we have an identifiable unconstrained backlog of $701 million. Now, this should remain approximately the same through 1985 and 1986, but if there are major force structure changes within the Army and the Army Reserve, we could add substantially to this backlog.

It is our recommendation that we look at backlog over approximately a 10-year period, hoping that we would eventually eliminate the backlog by programing approximately $70 million a year over that period.

The fiscal year 1983 appropriation request is for $42.8 million. This request provides for $28.5 million in major construction for 16 of our very highest priority facilities in 15 States; $5.7 million in minor construction, and $8.6 million in planning and design.

Mr. Chairman, all members of the U.S. Army Reserve appreciate the support that Congress has given its citizen soldiers. The military construction of the Army Reserve is an investment in the future of the United States and allows decentralization of training facilities necessary to insure the combat-readiness of the Army Reserve Forces.

[The prepared statement of General McIntoch follows:]

PREPARED STATEMENT OF BRIG. GEN. CARL D. MCINTOSH

DEPUTY CHIEF

ARMY RESERVE

Mr. Chairman and Members of the Committee:

I welcome this opportunity to present both the Military Construction, Army Reserve Appropriation request and the Authorization request. I would also like to use this opportunity, on behalf of all members of the Army Reserve, to express appreciation for the support this committee has provided our construction program.

INTRODUCTION

The Army Reserve is an essential part of the Total Army. The Army Reserve currently consists of over 438,000 men and women. Members of Army Reserve troop program units number over 225,000. In addition, there are approximately 213,000 members in the Individual Ready Reserve (IRR) not assigned in troop program units.

Army Reserve units are primarily combat support, combat service support and general support. They also include significant combat forces. Although the Army Reserve troop program unit structure is not a mirror image of the Active Army, its structure is required to ensure a balanced Total Army force structure.

The Army Reservist represents our long and proud tradition of the "citizen soldier" whose service contributes to our national security. The Reservist's military training to achieve individual and unit readiness takes place on weekends and during two weeks annual training periods.

We can all take pride in the dedicated men and women who serve our country in the Army Reserve. As part of the Total Army, they must be ready to go to war--today and tomorrow. They contribute to the Total Army's mission of deterrence and safeguarding our security. They deserve the support of their employers, families and fellow citizens.

CURRENT STATUS

Facilities: Training continues to be the most important responsibility of Reserve commanders at all levels. With the exception of two weeks annual active duty, this training takes place at the individual's home facility--the Reserve Center. Due to the decentralized nature of the Reserve Components, our construction requirements differ from those of the Active forces. We require a large number of much smaller and more specialized facilities located in the civilian community in which our members live. There are 1,075 Army Reserve Centers and 181 Maintenance Facilities, owned or leased for the Army Reserve. In addition to providing a base for training and equipment maintenance, these centers contribute to our ability to attract and retain reservists. Only 45 percent of the existing facilities are considered adequate. There are long range military construction plans that provide for replacement of inadequate facilities, expansion of existing facilities to meet space requirements and replacement with Government-owned facilities of those leased or donated buildings which are either inefficient to maintain or are not adequate to meet needs.

Backlog: Last year the projected beginning FY 1982 backlog to replace obsolete or deteriorated facilities was reported as $848 million. Today, the projected backlog for the beginning of FY 1983 is $938 million. The increase in the value of the total backlog is attributed to the rise in the cost of construction and the better definition of requirements for specific projects. However, at this time, not all of these facility requirements meet the criteria that would allow us to identify them for funding. With respect to validated requirements that do meet criteria, it would require $701 million in FY 83 dollars to design and construct them. This includes all projects in the funded portion of the five-year plan plus that part of the backlog which meets the construction criteria of mission and strength.

Progress on Prior Year Programs: The construction program of our fiscal year 1981 and prior programs is progressing very well. All major construction projects from these years have had contracts awarded.

With regard to the 32 fiscal year 1982 projects, we expect to award all but one project during the current fiscal year. As of 1 April 1982, there were ten awards, two additional bids were opened, and nine projects were being advertised. Our construction agents are preparing the bid packages for five more projects and these should be advertised by mid-May.

MILITARY CONSTRUCTION APPROPRIATION AND AUTHORIZATION

FY 1983 Request: The appropriation requested for Fiscal Year 1983 is $42.8 million. This is $21.9 million less than that appropriated by the Congress for Fiscal Year 1982. The request will provide $28.5 million for Major Construction, $5.7 for Minor Construction and $8.6 for planning and design work. The authorization requested in Fiscal Year 1983 is $28.5 million for Major Construction, $21.5 million less than for Fiscal Year 1982.

We are proposing the construction of 16 major projects in 15 states. Specific projects are: five new Reserve Centers, four maintenance centers. and improvements of two field training sites. These were selected and ranked based on need, the mission of the unit, mobilization schedules and the general contribution to the readiness of the USAR. The design of all these projects is beyond the 35 percent level and we envision no difficulty in their award during FY 1983.

The request for Minor Construction includes $1.5 million to start a program to modify indoor rifle ranges that have been closed due to various safety problems.

The request for planning and design is $2.6 million more than that appropriated in FY 1982. These funds will provide for an increased effort in the design of projects in the backlog that are to be addressed in future appropriation requests.

CONCLUSION

Mr. Chairman, this concludes my statement. The committee's continuing interest and support in satisfying the construction requirements of the Army Reserve is greatly appreciated.

Senator THURMOND. I might mention that we added $100 million, I believe, in each of the last 2 years. We are very supportive of the Guard and Reserve. I have been in the Senate for 28 years and I have been fighting hard for the Guard and Reserve to get their share of funds.

When war comes we have to depend on these people, the Active Army is just not large enough. So, I think we ought to train them and equip them, and have them ready to go at all times in the event an emergency should come.

CONSTRUCTION BACKLOG

I just have a few questions here. Your statement says that your construction backlog is $21.6 billion, an increase of $4.5 billion over the figure you reported last year. The request is about $1 billion, far short of what you need just to keep up with inflation. Are you satisfied with the level of your military construction program for fiscal year 1983?

General DELBRIDGE. Mr. Chairman, that question addresses, of course, our total MCA backlog worldwide. Needless to say, we would like to see more in that particular program.

However, the program represents a balanced portion of the total Army budget within the constrained resources that we have. Consequently, we would propose to reduce our backlog in the outyears. As indicated in my formal presentation, we expect to bring that backlog down rather significantly.

Senator THURMOND. If you were not resource constrained you could plan your military construction program prudently.

ANNUAL RATE OF INVESTMENT

What annual rate of investment in military construction do you think would be appropriate?

General DELBRIDGE. Mr. Chairman, if we make the assumption that we would eliminate the backlog in 20 years, for example, we would assume in constant dollars to bring that down about a billion dollars a year.

Now, in addition to that we anticipate that there is about $800 million annually just to stay level with our requirements in constant-year dollars, such that we would not increase that backlog.

In addition to that, we figure about $700 million for the requirements that come out of initiatives in the program, and for the design of this new program.

The total, Mr. Chairman, about $2.5 billion annually in constant 1983 dollars would be the investment strategy to bring that backlog down in 20 years.

ARMY BUDGET FOR MILITARY CONSTRUCTION

Senator THURMOND. General, can you explain why the Army budgets less for military construction than the other services do when your backlog is greater?

General DELBRIDGE. I am sorry, Mr. Chairman, I did not hear the question.

Senator Thurmond. Can you explain why the Army budgets less for military construction than the other services do when your backlog is greater?

General Delbridge. Again, Mr. Chairman, it is a part of a balanced program. During this particular period there are a great number of weapons systems that are being fielded for which our military construction is dedicated. Approximately 49 percent of our dollars are necessary to meet this particular requirement. That is why our backlog is not being addressed.

Senator Thurmond. Now, S. 1990 is a bill introduced by Senator Hart and myself that would take all military construction law that is now scattered in many places and bring it together in one chapter under title X of the United States Code.

In addition, we are proposing some streamlining and policy adjustments which we hope will improve the military construction program. I know that there has been much work done on this bill at the staff level. I would like to get your general reaction to the bill.

Are there any specific areas in the bill which you would care to call to the attention of the Senate?

General Delbridge. Mr. Chairman, we are very pleased with the way the codification bill is moving. There are a couple of minor areas that we are working out with the staff, such as the limitation on certain funding, the $200,000, $300,000 category; but very minor. All in all we are very, very pleased with the bill as it is moving, sir.

BUILDING REPAIR

Senator Thurmond. Army installations have many dilapidated buildings, built before and during World War II. These buildings were built around 1940 to last 5 years. These buildings are now inefficient to use, they are energy extravagant and they are downright dangerous because they will burn so readily.

Fort Jackson, in my State, has several hundred of these buildings. Basic trainees live in them and so do career soldiers, a situation which I consider unacceptable.

I am advised that the Army has plans to spend lots of money on these old buildings to put on metal siding, new utilities, and generally upgrade these buildings if they are needed for a few more years.

It seems to me that this might be false economy and I am wondering if you could get these old buildings torn down and replaced. Is it wise to try to repair them and hold onto them, or just put up new buildings?

[The information follows:]

World War II Wood Facilities

Question. I am advised that you intend to upgrade more than 250 of these buildings at Fort Bragg, North Carolina. Provide for the record details on this project, together with the economic analyses or a summary thereof that show that this project is cost effective.

Answer. An upgrading project is now underway to reside and insulate 241 World War II temporary buildings at Fort Bragg. FY 82 planning also includes replacement of doors and windows for the same 241 buildings. Over the years, considerable work has been done on these buildings; thus, there is only this small amount of upgrading to be done. (Estimated cost of the upgrading mentioned above) is $19,77,0 for a two-story World War II temporary building (4,720 sq. ft.).

This is cost effective when compared to $168,000 for an equivalent sized austere replacement facility.

Question. What would be your position on a legislative requirement that these buildings be torn down by some date—say 1990?

Answer. The facility inventory of the Army which includes WWII temporary buildings is not adequate to support current and projected missions plus mobilization. This point was proven in a recent mobilization exercise (MOBEX 80). The known construction requirement just to support rapid mobilization and deployment is $2.9 billion. The WWII temporary buildings which are to be retained are seen as a relatively inexpensive and timely means to provide for part of the mobilization base. A legislative requirement to tear down useful WWII facilities is unrealistic without replacement facilities and would be counter productive and serve to increase the construction requirement needed for mobilization.

Question. Suppose we would authorize you a lump sum amount to be used to buy and build some type of standard, pre-engineered building (steel structure and metal siding) with the provision that for every square foot of this steel building that you built, you would have to tear down two or three square feet of World War II building. What would be your position on such a proposal?

Answer. Our position would depend on the language of the bill. It is not realistic to demolish more square footage of floor space without an equal square footage of replacement facilities without knowing specific mobilization requirements of the particular installation. We would agree to replace on an equal square footage basis as an incentive to dispose of sub-standard WWII facilities and at the same time improve mobilization posture. However, it should not be restrictive as to where the replacement facility is to be built (to ensure best location for mobilization purposes) and should not dilute the overall mobilization construction requirement.

General **Delbridge.** We could not agree with you more, Mr. Chairman. As shown on our military construction project data programing documents there are approximately 200 buildings of World War II vintage, or about 950,000 square feet, which will be demolished with the 1983 program.

However, there are other constraints placed upon us, as you rightfully pointed out, many of these facilities are occupied by our soldiers at the present time and we will move those soldiers out of those facilities just as soon as permanent facilities can be built.

Fort Bragg is an example currently, where 57 of those World War II structures will be torn down as we build a new barracks in the 1983 program for over 500 soldiers.

There is one other element, though, that plays a role in this. That is, we presently do not have within the Army structure, in our facilities, a mobilization base. The modernization of those World War II facilities—the siding and so forth that you talked about, Mr. Chairman, is being done where we presently have soldiers living in them, until funding will permit us to build permanent facilities.

Now, after that is done, those modernized World War II facilities, at a reasonable expense, will give us the capability for not only the Reserves, the Reserve components for summer training, but also give us a mobilization base that is readily available that we can mothball. We simply cannot do that with these old wooden facilities now.

[The information follows:]

World War II Wood Facilities

Senator **Thurmond.** What exactly is your criteria for deciding if you will spend money to upgrade these World War II buildings?

General **Delbridge.** No upgrading shall be undertaken unless three prerequisities are met:

First—A complete utilization survey clearly shows a need for each building.

Second—There is a requirement for its use for a minimum of 10 years, following the upgrading based on the known mission of the installation.

Third—Life cycle costing justifies the upgrading.

Senator THURMOND. I am advised that you intend to upgrade more than 250 of these buildings at Fort Bragg, North Carolina. Provide details on this project, together with the economic analyses or a summary thereof that show that this project is cost effective.

General DELBRIDGE. An upgrading project is now underway to reside and insulate 241 World War II temporary buildings at Fort Bragg. Fiscal year 1982 planning also includes replacement of doors and windows for the same 241 buildings. Over the years, considerable work has been done on these buildings; thus, there is only this small amount of upgrading to be done. Estimated cost of the upgrading (mentioned above) is $19,750 for a two-story World War II temporary building (4,720 sq. ft.). This is cost effective when compared to $168,000 for an equivalent sized austere replacement facility.

Senator THURMOND. Do you have any plans for those at Fort Jackson?

General DELBRIDGE. Sir, those are being justified by the commander at Fort Jackson as a mobilization base. We expect that those would be similarly modernized as the funding becomes available for those facilities that have troops in them and until such time as new barracks are built.

Senator THURMOND. We received some testimony on the MRP from Defense witnesses. Since the Army is the primary service involved, let me get a few more details.

When I was in Europe last spring, German officials were less than enthusiastic about the MRP. Now, according to Defense witnesses, that attitude seems to have been reversed and prospects for German funding appear good.

Do you agree with this recent assessment and how do you account for the apparent change in attitude by the Germans?

General DELBRIDGE. Yes, Mr. Chairman, we do agree with that assessment. There are, perhaps, a number of factors that have impacted on the Germans to change their attitude. I believe that one of those very strongly is the impact of the Members of the Congress. Your visit, following testimony last year, to Bonn and your comments to the leadership in Bonn at that time, I think, contributed to getting that ball rolling.

I think that the attitudes of the Congress at the present time, as expressed by the media, have also been contributory to the German attitude of change.

One other aspect is that the master restationing program has now been defined rather finitely in three specific locations with a specific price tag and the Germans can now see that as something that they can afford.

Senator THURMOND. Last year, the MRP was a far-reaching, long-range plan involving several U.S. Army divisions. I understand that the scope of the MRP has now been cut back drastically.

Can you compare the original MRP with the current proposal and explain why the scope was cut back so drastically?

General DELBRIDGE. The original scope, Mr. Chairman, addressed first of all phase 1 which is being addressed at the three sites now, and that can be categorized as that portion on which we would build on U.S.-controlled real estate at Vilseck, Wildflecken, and Giessen.

Phase 2 was a long-range program that went out to the year 2010 and would involve the purchase of additional real estate to move all of the additional facilities forward. It was a rather open-ended type long-range master plan, if you would, but not specific enough to get a grip on the real estate problems that the Germans have.

That is the principal difference.

Senator THURMOND. I am just wondering why you ask the taxpayers to fund the same MRP projects in this bill that our negotiators have asked the Germans to pay for.

General DELBRIDGE. Sir, the $26.5 million that we are asking for in the 1983 program is the follow-on to the $14.5 million of last year to complete two battalion facilities at Vilseck. As you recall, this was the U.S. signal of faith and commitment to the master restationing plan. The requirements in the negotiations with the Germans which are taking place today will be that the cost of these facilities would be recouped during the course of the negotiation. Those dollars, we expect, would come back, Mr. Chairman.

Senator THURMOND. It is time now for me to leave to go to a chairman's meeting. I am going to request the able and distinguished Senator from Nebraska to take over, Senator Exon. He will have some questions that he wishes to propound.

Senator Exon, excuse me.

Senator EXON. Thank you, Mr. Chairman.

SUBMITTED QUESTIONS

Senator THURMOND. Before I go, I want to say that I have some questions for the record and I will ask you to answer those. Some would be executive session questions. If you will just answer them.

General DELBRIDGE. We will be pleased to submit these for the record, Mr. Chairman.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR THURMOND

QUESTION: I understand that the Army is considering a new standard design for your barracks buildings. The design that you have used for the last 10 years has proven to be unsatisfactory because of the three-man rooms and the command and control problems associated with private rooms. Where do you stand on this new design standard?

ANSWER: The new Army Housing Committee (ARHOC) II barracks design has been approved by HQDA for limited trial usage at two Army installations in the FY 83 MCA Program; namely, Fort Story, VA (PN 40) and Fort Bragg, NC (PN 373). PN 40 at Fort Story, VA is in final design. PN 373 at Fort Bragg, NC will be a site adaptation of the Fort Story design. The ARHOC II barracks design has also been approved by HQDA for usage at Fort Bragg, NC, Fort Riley, KS, and Fort Lewis, WA in the FY 84 MCA Program.

Senator Thurmond. Would you compare this new design standard with the design that you have been using, both in terms of cost and energy efficiency.

General Delbridge. The only cost history available for the new ARHOC II barracks design is the concept cost estimate compiled for the Fort Story, VA FY 83 project at 35 percent design completion; which is $60.45 per square foot adjusted to 1 October 1982. Based upon recent construction bids for current standard barracks at two locations, the average bid CWE cost is $62.08 per square foot adjusted to 1 October 1982. Energy comparisons for the new ARHOC II barracks and the currently used standard barracks, based upon computer design analyses and stated in BTU per square foot per year, are as follows:

Design by LYLES, BISSETT, Carlisle and WOLFF	80,000 BTU/SF/YR
Design by BENHAM-BLAIR and Affiliates, Inc	60,000 BTU/SF/YR
ARHOC II	50,000 BTU/SF/YR

QUESTION: Compare your new design standard with the standard designs used by the Navy, Air Force and Marine Corps, both in terms of cost and energy efficiency.

ANSWER: The Army does not have detailed data relative to the cost and energy efficiency of barracks constructed by the other military services. However, the new ARHOC barracks is similar in overall building configuration to the designs currently used by the Navy and the Air Force. All barracks designs are governed by detailed criteria issued by the Office, Secretary of Defense, and subject to statutory cost limitations. Any degree of difference as to cost or energy efficiency would be minor and difficult to quantify accurately.

QUESTION: For the record, list all the barracks projects in your FY-83 budget request and indicate the design standard that you intend to use.

ANSWER: The following is a list of barracks projects in the FY 83 MCA Program with the design standard used:

Project	Design Standard
PN 40, Fort Story, VA	ARHOC II
PN 373, Fort Bragg, NC	ARHOC II
PN 306, Fort Ord, CA	Benham-Blair Design
PN 212, Fort Rucker, AL	Benham-Blair Design
PN 253, Fort Stewart, HAAF, GA	Benham-Blair Design
PN 133, Schofield Bks., HI	Benham-Blair Design
PN 44, Fitzsimons, AMC, CO	Special Design
PN 87, Dexheim, Ger.	Special Design
PN 91, Mainz, Ger.	Special Design
PN 102, Vilseck, Ger.	Special Design
PN 103, Kaiserlautern, Ger.	Special Design
PN 117, Bamberg, Ger.	Special Design
PN 118, Wertheim, Ger.	Special Design
PN 124, Kriegsfeld, Ger.	Special Design
PN 200, Kitzingen, Ger.	Special Design
PN 213, Kitzingen, Ger.	Special Design
PN 743, Wertheim, Ger.	Special Design
PN 752, Friedburg, Ger.	Special Design
PN 753, Hanau, Ger.	Special Design
PN 761, Vilseck, Ger.	Special Design
PN 797, Kirchgoens, Ger.	Special Design
PN 810, Baumholder, Ger.	Special Design
PN 973, Vilseck, Ger.	Special Design
PN 725, Kitty Hawk, Korea	Special Design
PN 846, Camp Essayons, Korea	Special Design
PN 190, Fort Detrick, MD	Modernization
PN 179, Fort Davis, Panama	Modernization
PN 182, Corozal, Panama	Modernization
PN 501, Tuslog, Turkey	Special Design and Modernization

Note: Army standard designs are used for projects involving 500 or more occupants per project. Smaller projects must use special designs in that they must meet local conditions and/or comply with comply with statutory cost limits. Overseas projects require special designs in that they must meet local conditions and/or comply with local codes in accordance with Status of Forces Agreements. In these cases, local standardization practices prevail.

Question: Last year we approved the construction of 200 units of family housing for Fort Irwin, California to be constructed under specifications that could be met by builders of manufactured housing. What is the status of that project?

Answer: The project's criteria and standards are being finalized at this time in coordination with both the conventional and factory built housing industry associations. Advertisement is scheduled for 1 June 1982 and award is scheduled for 1 September 1982.

Question: What are your thoughts on the approach? Should we expand this effort to get manufactured housing at other locations?

Answer: The Army desires to get the best housing for the lowest cost. However, the total cost of the housing over its life cycle must be considered. We believe that the test results from the Fort Irwin project or the trends of the test will determine future construction techniques. In the meantime the Army has no plans to limit bidding to manufactured/factory built housing at other locations. However, current bidding procedures do not prevent factory builders from participating in any of our future projects.

NATIONAL TRAINING CENTER (NTC)

QUESTION: Fort Irwin, California has been selected as the Army's National Training Center. Briefly explain the National Training Center concept.

ANSWER: Exposure to realistic battlefield conditions prior to actual combat enhances individual survivability and unit sustainability. However, creation of such a realistic battlefield is impractical at most installations where combat units are not stationed. The concept of an Army National Training Center has been developed to provide combat battalions (tank, mechanized infantry, armored cavalry) two weeks of realistic, mission oriented combat training to a degree not feasible at home stations.

The National Training Center will provide the Army a training area where a total combat environment can be simulated. Such an environment, comprising realistic maneuver areas and warfare techniques will increase the Army's training effectiveness during peacetime. The establishment of this center is a critical step that must be taken to avoid needless casualties during an initial learning phase should a war develop. The combat resources so husbanded from the first battle could be the difference between victory and defeat.

NATIONAL TRAINING CENTER (NTC)

QUESTION: Last year you provided the committee with the total construction cost to complete the National Training Center. What is your current estimate of the total cost to complete the construction for the NTC and explain any changes since last year?

ANSWER: Last year's estimate was $151.3 million (FY 83-87). The current estimate for the same period is $144.4 million. The reduction is due to deletion of the requirement for an airfield at Ft Irwin and a reduction in the requirement for training ranges.

QUESTION: How much is in your budget this year for the NTC?

ANSWER: $31.34 million is included in the FY 83 MILCON budget for the NTC.

LONG RANGE SECURITY PROGRAM

QUESTION: Yesterday we got into the issue of the security of nuclear and chemical weapons with the Defense witnesses. Since the Army has the preponderance of these special weapons' storage sites, let me get some additional details from you: How many sites do you have in the United States where special weapons (chemical and nuclear) are stored? How many of these US sites have been completely upgraded to the latest standards as far as physical security is concerned. How many sites do you have overseas where special weapons are stored and how many of these sites are completely upgraded?

ANSWER: Special weapons are stored at eleven sites in the United States. Four of these US sites have been completely upgraded to the latest standards as far as physical security is concerned. Special weapons are stored overseas at 108 sites and of these five are completely upgraded. The following is a country-by-country list of the storage sites:

Special Weapon Overseas Storage Sites

* signifies completely upgraded site

*(Deleted)

LONG RANGE SECURITY PROGRAM

QUESTION: Apparently the major problem has been with the sensor systems. What types of sensor systems are you installing, what has been the problem, and how are you addressing the problem?

ANSWER: First with respect to our chemical sites, the Vindicator interior intrusion detection system (IDS) is being installed at all chemical storage sites. Vindicator is a programmable multiplex control system which provides the capability to monitor, control, and display alarms from our protected chemical storage areas. The sensors include balanced magnetic switches and grid wire sensors. All sites are scheduled to be completely upgraded with the new system by March 1983. Available exterior IDS have an exceptionally high nuisance alarm rate. Many of our chemical storage sites are quite large and have in excess of five miles of fenceline. Problems involved in assessing numerous nuisance alarms have resulted in deferment of installation of the exterior IDS until a more efficient, cost effective, and acceptable system is developed. What is required is a system that can distinguish between nuisance alarms and actual intrusions. This requirement is under review by the proponent for exterior IDS--the Air Force. To maintain the required level of security, we have established motorized security force patrols.

At our nuclear sites, the security concept and guard force on-site at the smaller nuclear sites in Europe permit available exterior sensors to be used through the use of sensor tuning and guard force assessment of every alarm. The type of sensors used are site dependent and include E-Field, radar, fence disturbance, and maid-miles buried line sensors.

QUESTION: You mentioned briefly the binary chemical production facility at Pine Bluff, Arkansas. I believe you have been authorized some construction here previously. Review the entire binary chemical construction program - will there be more construction requirements in the future?

ANSWER: The Congress approved $23.15 million in FY81 for construction and facilitization of Phase I of the Integrated Binary Production Facility (IBPF) at Pine Bluff Arsenal, Arkansas. This phase will support production of 155mm GB-2 (non-persistent nerve agent) artillery projectiles by providing a manufacturing capability for one of the binary chemical precursor components, Difluoro, and a load, assemble and pack facility for the projectiles. Construction began in October 1981 and is scheduled to be completed in 3QtrFY84.

The IBPF Phase II persistent agent facility will be initiated with the $18.3 million MILCON funds requested for FY83. This phase will provide a capability to load one of the binary chemical precursors--in this case, commercially procured QL--into Navy/Air Force BIGEYE VX-2 bombs, and pack-out the bombs for storage. Funds to equip the facility will be requested for FY84. Construction of Phase II is scheduled to be completed by 2QtrFY85.

A Phase III project would be an intermediate volatility or semi-persistent agent (IVA) facility for future weapon systems, if required. However, the need for binary chemical munitions beyond the two currently planned, 155mm and BIGEYE, is directly dependent on the willingness of the Soviets to accept a complete, verifiable chemical weapons ban and further evaluation of military requirements. Effort is ongoing to develop an intermediate volatility or semi-persistent agent. We are also examining the need for other binary weapons including long range projectiles, rocket and missile warheads, and standoff air-delivered systems which would reduce the need to penetrate terminal air defenses. However, these are developmental programs and no specific requirements have yet been established.

QUESTION: Where do we stand on the production of binary chemical weapons - do you now have plans to begin production?

ANSWER: Based on the review of the progress made in bilateral chemical warfare negotiations with the Soviet Union, and after consideration of the national security implications of the uses of chemical and biological weapons in Southeast Asia and Afghanistan, the President has decided to pursue binary modernization of the deterrent retaliatory stockpile of chemical weapons. The President informed the Congress of this decision, and in compliance with the 1976 DoD Appropriations Authorization Act, provided certification on 8 February 1982, that the production of binary chemical munitions is "essential to the national interest." The required follow-up Report to Congress on the United States Chemical Warfare Deterrence Program was provided on 12 March 1982.

In support of the binary chemical modernization program, the President's FY83 Budget Request included $72.7 million for tooling and initial production of binary munitions (155mm GB-2 projectiles and BIGEYE VX-2 bombs), and for construction of a load and packout facility at Pine Bluff Arsenal, Arkansas for the BIGEYE bomb. Funds will be requested in FY84 to provide equipment for the BIGEYE facility.

The BIGEYE facility project at Pine Bluff Arsenal represents Phase II of the Integrated Binary Production Facility. Phase I, the 155mm GB-2 artillery projectile facility, was approved by the Congress in 1981, and construction commenced on 20 October 1981. Funds and schedules for these two projects will allow for the initial production of both munitions in (deleted.)

The current binary modernization program involves only the 155mm GB-2 artillery projectile and the BIGEYE VX-2 bomb. The planned production quantities of these two munitions through 1987 are (deleted.)
Requirements for production of these or any other binary chemical munition beyond 1987 will depend on the outcome of disarmament efforts and continuing refinement of military needs.

QUESTION: Have we started any discussions with our allies about forward deployment of these binary munitions?

ANSWER: No, we have not done so. However, we have kept our allies fully informed concerning modernization of our chemical weapons capabilities, including the decision to produce binary munitions. That decision concerned only development and production; no decision on overseas deployment has been made. If such deployment ever appeared necessary and desirable, we would consult fully with the affected governments before making any decisions.

Senator Thurmond. I note that your FY 83 budget includes some barracks projects that have been designed under the old concept of three-man rooms. Why are you still building to that standard when you have made the decision to go to a new design standard that is cheaper, more energy efficient, and preferable from a command and control standpoint?

General Delbridge. The new Army Housing Committee (ARHOC II) barracks concept has been approved by headquarters, Department of the Army for limited application at two Army installations (Fort Story, Virginia and Fort Bragg, North Carolina) in the FY 83 program and three installations (Fort Riley, Kansas, Fort Bragg, North Carolina and Fort Lewis, Washington) in the FY 84 program.

The new barracks design concept is in the early stages of development. At the present moment, costs and energy savings are estimated only and not confirmed by hard data. The projects selected in the FY 83-84 programs will provide the data necessary for general application of the new concept.

The ARHOC II concept is intended to be used primarily at divisional posts within the United States and not necessarily at Army training installations.

The ARHOC II concept was developed based on building designs previously used for the Army's construction program in Europe. Projects proposed for FY 83 in Germany are similiar to the ARHOC II concept.

Question: Each year in the Military Construction Authorization Act, the Services are given the authority to do "emergency construction." Quoting from Section 102 of last year's Act, the Secretary of a military department may proceed with an emergency construction project if "deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with the interests of national security . . ." On December 16, 1981, you notified the Committee of your intention to build a recreation center at Fort Irwin at a cost of $2,250,000 as an "emergency construction" project. What is the status of that project?

Answer: As of the end of this April, the proposed recreation center at Fort Irwin is 90 percent designed, and we estimate the design work will be finished by early June. We plan to advertise the construction contract in mid-June and award it in early August of this year.

Question: I fail to see how you can call a recreation center an "emergency construction" requirement. Do you feel that this is proper use of your emergency construction authority?

Answer: Section 102 of each annual authorization act provides that the Secretary of the Army may establish installations and facilities ...... made necessary by changes in missions and responsibilities which have been occasioned by ...... revisions in the tasks or functions assigned to a military installation or facility....

We believe that this project qualifies for approval under Section 102 of Public Law 96-418, the FY 81 MILCON Authorization, in that provision of an adequate recreation center has been made necessary by the revision in the functions assigned to Fort Irwin in creating the National Training Center, and lack of a recreation center will continue to adversely affect the morale and welfare of the military personnel at Fort Irwin. The original World War II wooden recreation center was destroyed by fire on 27 November 1980, and Fort Irwin now has no facility which can be used for this purpose by the nearly 3,000 enlisted personnel stationed at this remotely located high desert installation. Fort Irwin is about forty miles from Barstow, California, which is the nearest town where recreational facilities of any kind are located. The Army considered utilizing the provisions of 10 US Code 2673 which permits replacement of destroyed facilities in lieu of Section 102, but concluded that replacing the previous structure would be uneconomical since a larger building is required to meet the current needs of the installation.

Senator EXON. Gentlemen, I was very much interested in your testimony. This backlog that we seem to keep running into as far as the Guard and the Reserves are concerned is troubling me a great deal. As one who has been a strong backer of the Guard and the Reserves from my 8 years as the Governor of the State of Nebraska I just feel that we are putting too much strain on these two important elements of our overall defense posture without giving them the proper wherewithal for the training that we obviously so badly need.

I do not expect any of the three of you would wish to comment but if you do, I would be interested in whether or not you know of two projects, both of which are now tentatively authorized for the fiscal 1985 budget that I am attempting to get additional money for, to be moved up into the 1983 budget.

Both of these projects happen to be in Nebraska and I certainly do not feel that they should necessarily take precedence over other projects that I assume through your rather extensive evaluation and trying to make do with the limited money that would be tentatively available to you in the 1983 budget.

But I happen to know that these two projects in my State are critically necessary. One has been on line for some time, is now scheduled for 1985, about $1 million, to add to the Guard facilities at Hastings, Nebr. It is an old armory depot there in Hastings and when Guardsmen go there they are required to sleep in old and cold concrete ammunition storage facilities that certainly are not adequate at all.

In addition thereto, I am trying to add in $4.1 million to the budget for necessary and urgently needed repairs to the Reserve facility in Omaha, Nebr. It is a facility that was constructed originally in 1880. The Corps did a study at my request and they and I conclude that it would be better to spend this money to rejuvenate those facilities—which are really now rotting—as quickly as possible.

I am just curious what you know, any of the three of you, about those two facilities that I have reference to and how high do you think they are, from what you know of them, on your individual requirement list for early work?

General TEMPLE. Senator, let me respond for the Army National Guard precisely to the facility at Hastings. You have hit upon the key thrust of our program, as a matter of fact.

As I said in my statement, it is to provide those kinds of weekend training facilities where we can really aggressively approach the kinds of training that the National Guardsmen need in preparation for going on to a highly lethal battlefield. So, we share your interest in it.

You are right, the $950,000 to make those improvements it is not in the 1983 program. However, the State has been authorized to proceed with design, but the design contract has not yet been let by the State, or awarded.

It was not in the 1983 program because the design at the time that we formulated our program was less than 35 percent complete. As soon as the State is able to process the approved design, we are prepared to move rapidly in achieving what we both want.

Senator EXON. General Temple, it is my understanding from conversations with those that have to make those decisions that if the moneys could be provided, as I recommended to this subcommittee, that the work could go forward. You do agree with that?

General TEMPLE. Yes, sir.

Senator EXON. I would be interested in whether or not General McIntosh has any views on the Reserve facility in Omaha, Nebr.

General MCINTOSH. Yes, sir. Let me try to explain that situation at 21st and Woolworth Street.

Senator EXON. Yes.

General MCINTOSH. We originally had that in the 1985 program and we looked at the very best-case situation due to its being on the Historic Register. All 12 buildings have to be dealt with in a very precise manner so that we meet all the requirements of historic preservation state.

We are this week designating an AE for that particular project. It takes approximately 26 months to complete and we have moved the execution date up to 1984. No matter what funding action you took this year or next year, it will still take that 26 months to clear all those hurdles to get it into the 1984 program. That is where we put it, and you will have it as soon as possible.

Senator EXON. So, what you are saying is that even if the money was provided in the 1983 budget, you could not use it?

General MCINTOSH. Sir, we are getting the design money for the project, and that is all we need at this time.

Senator EXON. But you could not use the full $4.8 million?

General MCINTOSH. Not until 1984, sir.

Senator EXON. Thank you.

Gentlemen, I have no further questions at this time. I understand that you would like to make a presentation on ballistic missile defenses. If there are no further comments that any of you have at this time, I would suggest that we move on to that. Is that your desire?

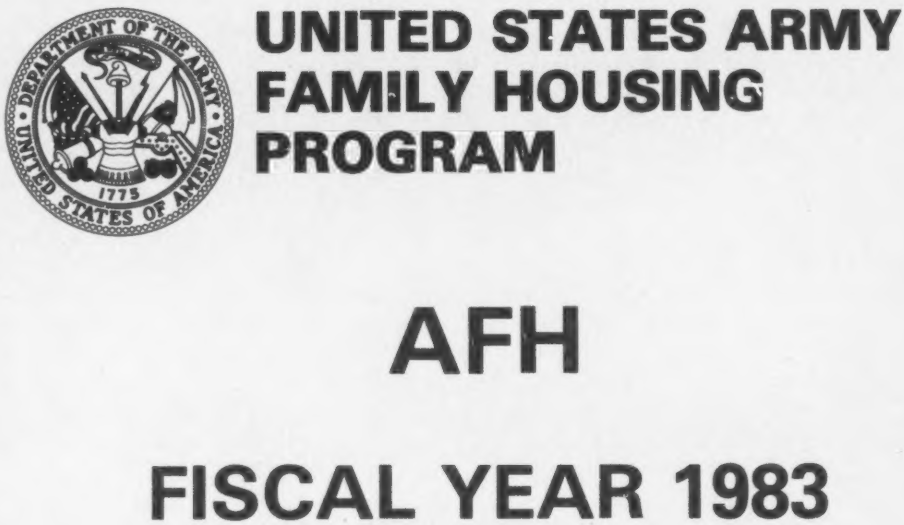
General DELBRIDGE. Mr. Chairman, we would only go with a ballistic missile defense presentation if you so desire. We have a short presentation which we could summarize in the area of family housing, or answer any questions with regard to ballistic missile defense.

Senator EXON. I think it is important that we get this in the record. Why not go ahead? About how much time do you imagine that would take, General?

General DELBRIDGE. I see 10 minutes on the clock, Mr. Chairman. We will fit it into 10 minutes. I will submit my full statement for the record with regard to family housing and shorten my presentation.

Senator EXON. If it is possible to do it in that short a time it will set a new record. Never before have we done it, but let us try it. Why not proceed?

General DELBRIDGE. All right, Mr. Chairman, we will do that.



UNITED STATES ARMY
FAMILY HOUSING
PROGRAM

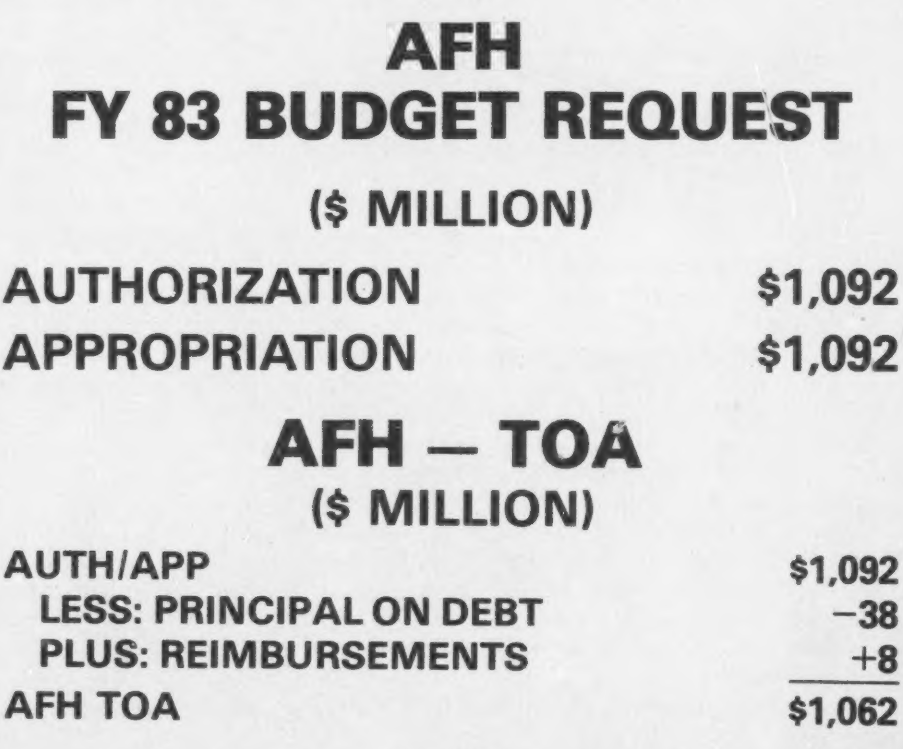
AFH

FISCAL YEAR 1983

SLIDE 109

FAMILY HOUSING REQUIREMENTS

In the area of family housing, Mr. Chairman, first of all I am very pleased to present this. This is the first time that the services will present their family housing requirements themselves. Heretofore, family housing requirements have been grouped together at the defense level and these now have been returned to the services. So, we will handle it accordingly.



AFH
FY 83 BUDGET REQUEST

($ MILLION)

AUTHORIZATION	$1,092
APPROPRIATION	$1,092

AFH — TOA
($ MILLION)

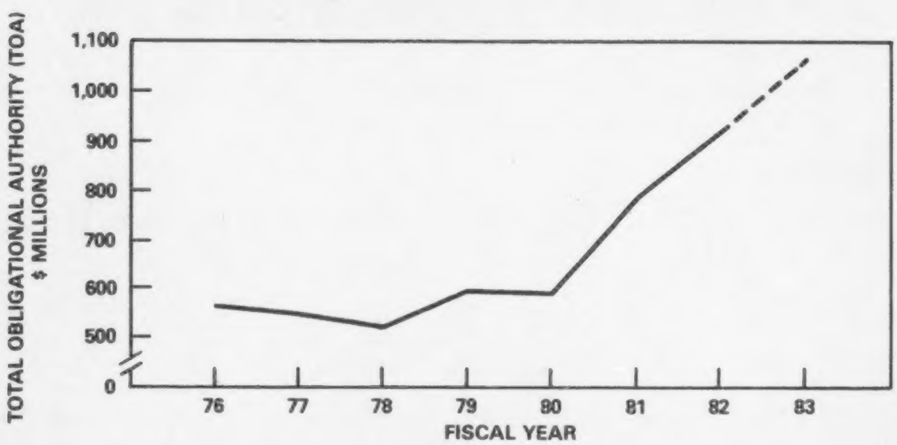
AUTH/APP	$1,092
LESS: PRINCIPAL ON DEBT	−38
PLUS: REIMBURSEMENTS	+8
AFH TOA	$1,062

SLIDE 110

AUTHORIZATION AND APPROPRIATION REQUEST

The authorization and appropriation that we are requesting is $1.092 billion. On that authorization the budget request is broken out as you see here. Reimbursements come from the sale of property and the principal on debt which amounts to $38 million. That gives us a total obligation authority of $1.062 billion.

AFH FUNDING HISTORY



SLIDE 111

INCREASE IN FAMILY HOUSING FUNDING

Notice that the funding in family housing is increasing. The fiscal year 1983 request is about $148 million above last year. We feel it is absolutely essential to take care of the living conditions of our soldiers and their families. That is perhaps one of the key items for our quality of life.

The funding history shows an increase since fiscal year 1980. I would like to be able to say that it is totally the result of additional funding put in, but costs also go up.

CAUSE OF INCREASE AFH TOA FY 80-83

CONSTRUCTION

- FROM VIRTUALLY ZERO IN FY 80 TO $186 MILLION IN FY 83.

OPERATION AND MAINTENANCE

- INFLATION AND HIGHER UTILITY COSTS IN OPERATION ACCOUNT.
- INFLATION AND MORE FUNDING FOR DEFERRED MAINTENANCE IN MAINTENANCE ACCOUNT.

LEASING

- OCCUPANCY OF BUILD-TO-LEASE CONTRACTS NEGOTIATED IN FY 80-81.

SLIDE 112

FISCAL 1980 CONSTRUCTION

Notice that our construction was practically zero in fiscal 1980. We are now up to $186 million for construction, as you see in the first line on the right.

Also, in operation and maintenance, inflation has increased accordingly, and leasing, which was authorized in fiscal years 1980 and 1981, has now come to fruition so the costs must be paid once we start moving people into those facilities which have been built to lease, particularly in Europe. Of course, we are phasing out the stateside leases.

AFH — CONSTRUCTION

($ MILLION)

NEW CONSTRUCTION	$ 70
(NO. UNITS)	(572)
POST ACQUISITION CONSTRUCTION	$109
(IMPROVEMENTS)	($66)
(ECIP)	($43)
PLANNING AND DESIGN	$ 7
TOTAL	$186

SLIDE 113

BUDGET BREAKDOWN

Let me address the budget request in three areas: First, construction, $186 million. Notice that 572 units are what we are requesting. Post acquisition construction—this is the improvements to bring housing units up to a current livability standard. That is $66 million. Then there are energy conservation improvements, $43 million, and some planning and design funds.

AFH — OPERATION AND MAINTENANCE

($ MILLION)

OPERATION	$449
MAINTENANCE	$343
LEASING	$ 79
(NO. UNITS OCCUPIED)	(12,646)
TOTAL	$871

SLIDE 114

O. & M.

Second, the area of operation and maintenance is the biggest one, taking care of what we have already. You will notice the figures for operation and maintenance listed on the right and the leasing cost, $79 million for 12,646 units which are presently occupied.

AFH — DEBT PAYMENT

($ MILLION)

INTEREST ON DEBT	$4
MORTGAGE INSURANCE PREMIUMS	$1
TOTAL	$5

SLIDE 115

DEBT PAYMENTS

Third, in debt payment we are requesting $4 million for the interest on the debt, and that debt, of course, is for the Capehart and acquired Wherry housing, and $1 million for mortgage insurance premiums; a total of $5 million.

AFH FUND DISTRIBUTION FY 83 BUDGET REQUEST

($ MILLION)

	CONST	O&M	DEBT	TOTAL
CONUS	$ 87	$327	$5	$ 419
EUROPE	$ 86	$414	$0	$ 500
OTHER	$ 13	$130	$0	$ 143
TOTAL	$186	$871	$5	$1,062

INVENTORY

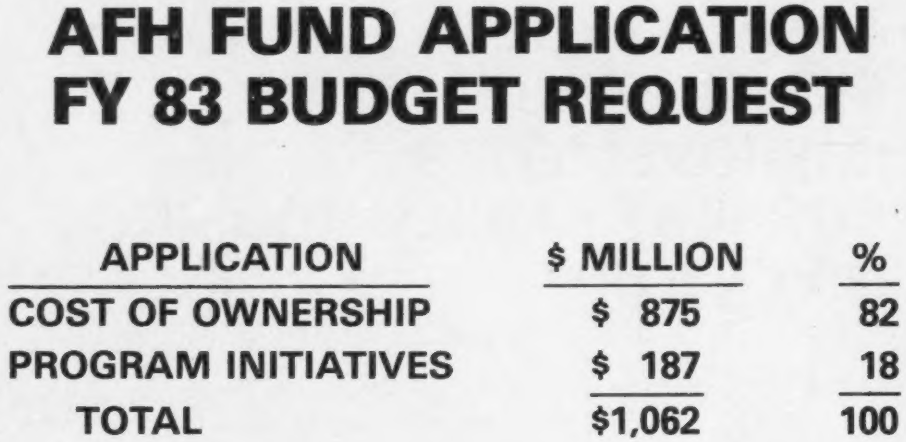
(END FY 83 ESTIMATE)

	OWNED	LEASED	TOTAL
CONUS	87,252	0	87,252
EUROPE	41,280	11,371	52,651
OTHER	15,780	1,275	17,055
TOTAL	144,312	12,646	156,958

SLIDE 116

DISTRIBUTION OF FUNDING

Our distribution of funding is shown on the left. You can see that the bulk of our budget request in family housing, the $500 million, essentially goes to Europe where our most severe problems are. Taking a look at that a little more closely you will notice that in the area of operation and maintenance those big dollars, $871 million, apply against our inventory of almost 157,000 family housing units worldwide.



AFH FUND APPLICATION FY 83 BUDGET REQUEST

APPLICATION	$ MILLION	%
COST OF OWNERSHIP	$ 875	82
PROGRAM INITIATIVES	$ 187	18
TOTAL	$1,062	100

SLIDE 117

PROGRAM COSTS

Now, the program can be looked at, essentially, in two parts: One, the cost of ownership, what it costs just to open the door to go to work in the morning, if you will; and then program initiatives, those things which we would add to that which are above and beyond annually operating and maintaining our current inventory.

COST OF OWNERSHIP

THOSE COSTS NECESSARY TO OPERATE AND MAINTAIN ANNUALLY AND TO PROVIDE MINIMUM ESSENTIAL IMPROVEMENTS TO THE CURRENT FAMILY HOUSING INVENTORY

SLIDE 118

First of all, costs of ownership are those costs to operate and maintain annually and to provide minimum essential improvements to existing inventory. That cost of ownership represents about 82 percent of our program.

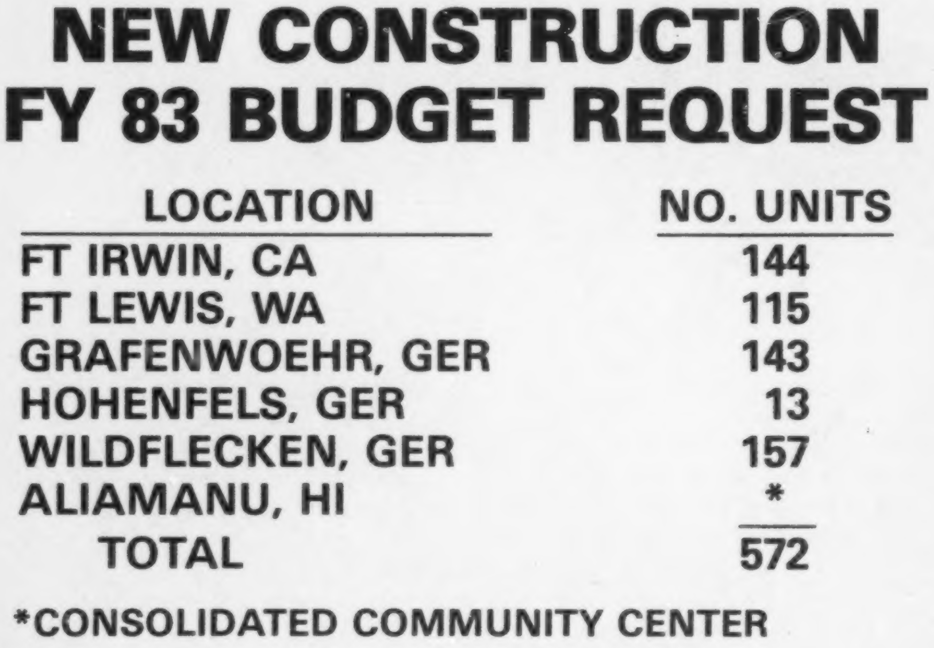
PROGRAM INITIATIVES

- NEW CONSTRUCTION
- ADDITIONAL LEASES
- DEFERRED MAINTENANCE
- POST ACQUISITION CONSTRUCTION

SLIDE 119

PROGRAM INITIATIVES

Now, the program initiatives, on the other hand, are where we try to build certain new construction, new family housing each year wherever there are requirements—and I will discuss that in just a moment. Additional leases as required, I will talk about that with regard to Europe. Handle what we call deferred maintenance or the backlog of maintenance as you just discussed a moment ago, and then postacquisition construction, that is, taking facilities that are 30 years old and bringing them up to current standards of livability.



NEW CONSTRUCTION FY 83 BUDGET REQUEST

LOCATION	NO. UNITS
FT IRWIN, CA	144
FT LEWIS, WA	115
GRAFENWOEHR, GER	143
HOHENFELS, GER	13
WILDFLECKEN, GER	157
ALIAMANU, HI	*
TOTAL	572

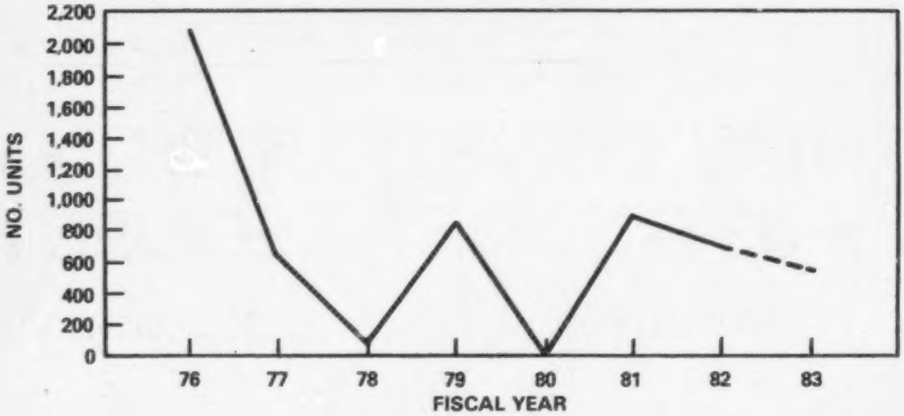
*CONSOLIDATED COMMUNITY CENTER

SLIDE 120

NEW CONSTRUCTION PROGRAMS

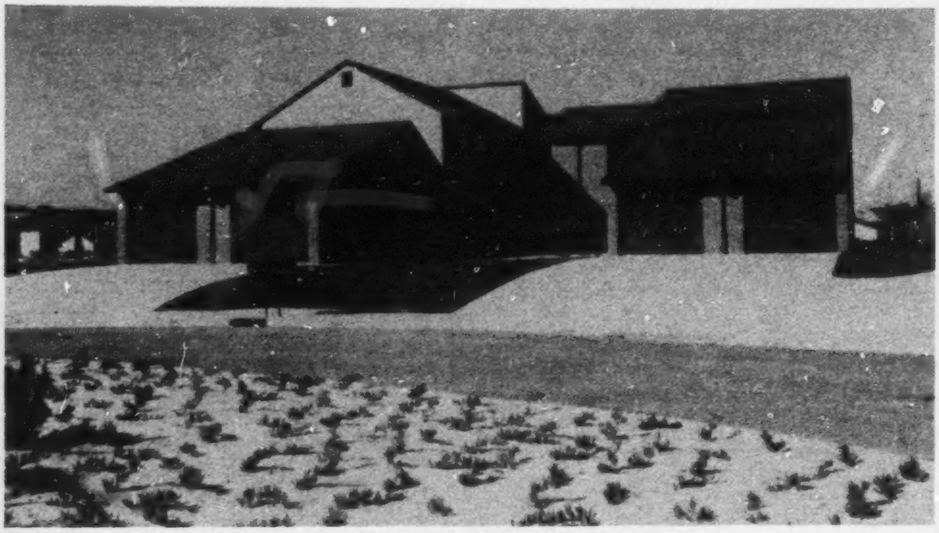
First of all, new construction. In the area of new construction, the slide on the right, we are asking for a total of 572 new sets of quarters, broken out as you see on that slide. Notice there also, Fort Irwin, 144; Fort Lewis, Wash., 115; the remainder goes to Europe for a total of 572.

NEW CONSTRUCTION HISTORY



SLIDE 121

The new construction history has been rather erratic, it has depended upon administration decisions. In those 2 years where it zeroed out—in 1978 and 1980—the decision was made that there would be no new construction during those years, and then that coupled with underfunding has generally kept that at a rather low level as far as new construction goes.



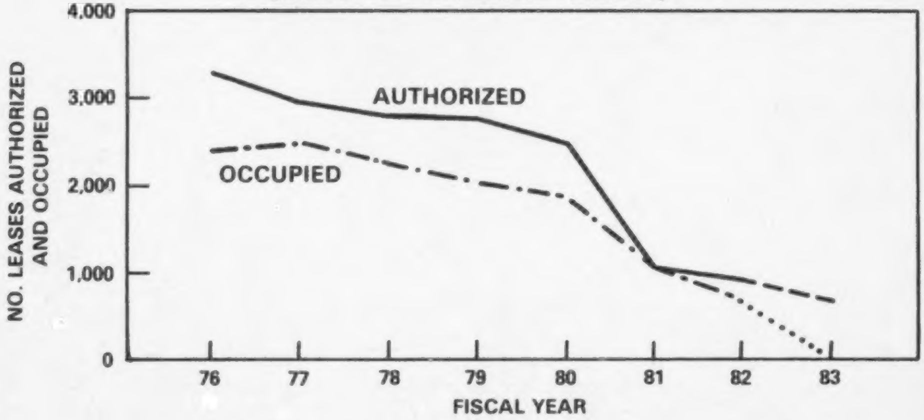
SLIDE 122

HOUSING QUADRUPLEX

When we do new construction, however, we have been very successful in the kinds of things that we have been able to put out. This is a quadruplex at Fort Ord, Calif.—very, very good prices on this particular set of housing. We are quite proud of the kind of housing that we are able to get out.

HISTORY OF LEASES AUTHORIZED VERSUS OCCUPIED — DOMESTIC

(END OF FISCAL YEAR)



SLIDE 123

ADDITIONAL LEASES

In the area of additional leases, we are phasing out the domestic lease program and the only leasing we are talking about now here is foreign leases. Let me discuss that for just a moment with the next slide.

EUROPE FAMILY HOUSING UNIT REQUIREMENT

	REQUIREMENT	NEW LEASES	CONSTRUCTION
START FY 82	8,651	—	—
(EXISTING REQUIREMENT)	(7,237)	—	—
(NEW SYSTEMS AND ORGANIZATIONS)	(1,414)	—	—
CONG FY 82 LEASE AUTHORIZATION		1,794	
START FY 83	6,857	—	—
FY 83 LEASE REQUEST	—	4,612	
FY 83 NEW CONSTRUCTION REQUEST	—	—	313
START FY 84	1,932	—	—
FY 84-87 NEW CONSTRUCTION PLANNED	—	—	1,932
START FY 88	0		

SLIDE 124

EUROPEAN REQUIREMENT

You will notice that, starting in fiscal 1982, we had a requirement in Europe—at the very top—of 8,651. That is a requirement, that is all overseas at the present time. We addressed 1,794 of those in 1982; in 1983 we are back to the Congress requesting authorization—no money involved, Mr. Chairman, but authorization—for 4,612 new leases. Then, we propose, during the period 1984 to 1987, to construct the 1,932 remaining. We will solve that problem in 5 years.

ADDITIONAL LEASES FY 83 BUDGET REQUEST

LOCATION	NO. LEASES
EUROPE	4,612
OTHER	1,000
TOTAL	5,612

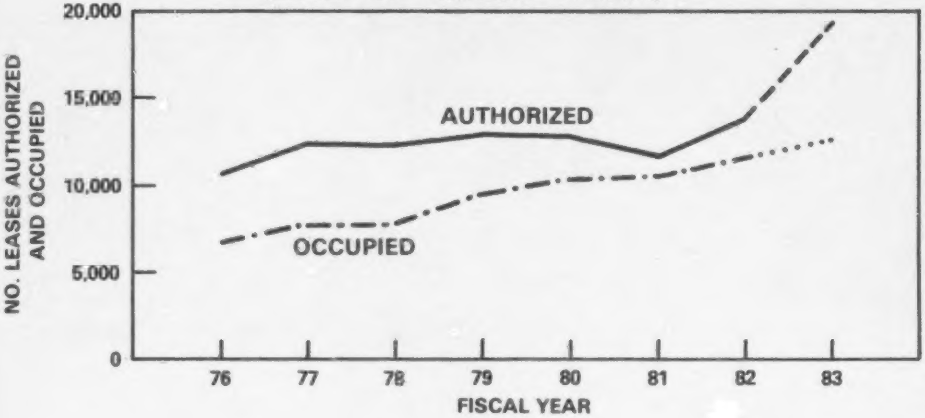
SLIDE 125

ADDITIONAL LEASES

Those leases are broken out as you see there. We are requesting authorization for Europe, 4,600, and 1,000 leased managerial float to take advantage of targets of opportunity as leases become available to us.

HISTORY OF LEASES AUTHORIZED VERSUS OCCUPIED — TOTAL

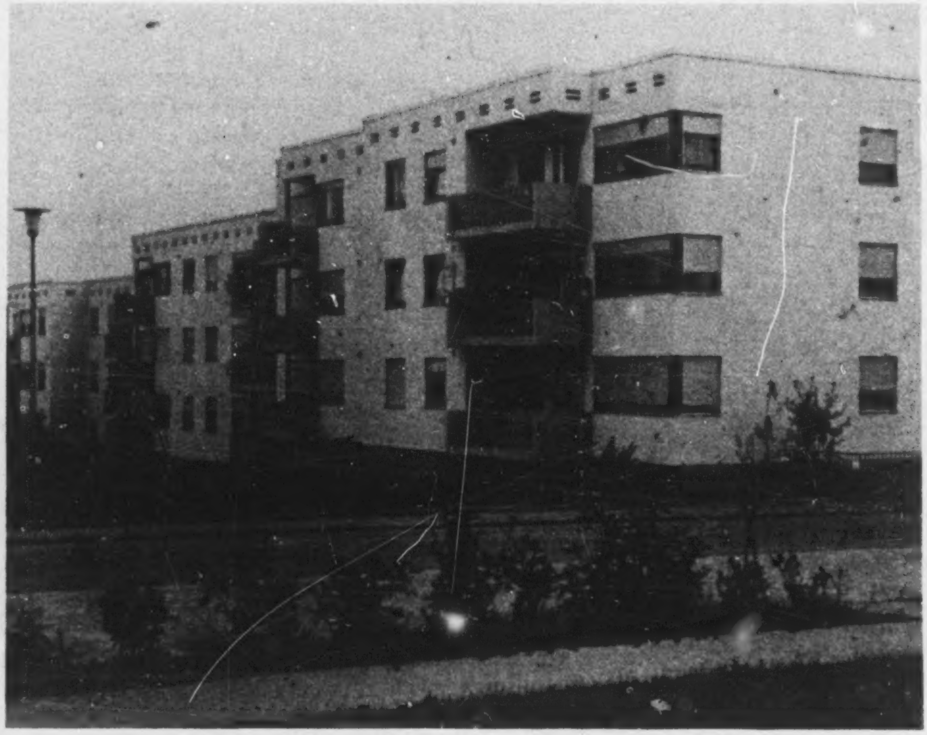
(END OF FISCAL YEAR)



SLIDE 126

FOREIGN LEASING PROGRAMS

Now, I would like to focus your attention on the right. We are doing much better in executing our foreign leasing programs. We asked for an authorization, let me say, in about 1982 where you see the low part of that "authorized curve." Those build-to-lease projects are completed by some entrepreneur about 18 months to 2 years later. At that point in time, you will notice if you drew a horizontal line through the bottom of our "occupied" line, we are just about occupying the authorized units as they are completed.



Slide 127

LEASED QUARTERS IN GERMANY

When we do build-to-lease this is the kind of quarters that we have and we are quite pleased with that. These are leased quarters in Germany.

Senator **Exon**. Let me stop you right there. These are leased quarters in Germany and outside of a military base, I presume; is that right?

General **Delbridge**. Yes; that is correct.

Senator **Exon**. Well, that leads me to a question I want to ask you. My understanding that you propose to change your housing program in Germany leads right into this, to at least require some type of security for officers quarters, basically as a result of the kidnapping of General Dozier.

Were you going to take this up later, or is this an appropriate time for me to ask you that question? I assume there is no security at that particular facility.

General **Delbridge**. No, there is not, Mr. Chairman.

Senator **Exon**. What about that problem—are you addressing it?

General **Delbridge**. Yes, sir, that is a very real problem. I might add that those kinds of quarters that you are talking about are addressed on an individual case-by-case basis.

In the case of Europe, for example, this is the first year that we are asking for new construction money for housing, other than leasing, that would be built on U.S. bases. By building housing on U.S. bases where we would have available real estate, we find that construction is cost-effective. In other locations where we are talking leasing, as here, we either do not have the real estate or we cannot get an entrepreneur to build them for us.

Now, in the case of the general officers' quarters, I would like to have that question addressed by General Hilmes who is responsible for our family housing program.

General **Hilmes**. Sir, for the high-visibility occupant, such as a general, who would be a target of terrorists or what have you, our approach has been to add security features to their present quarters.

By and large, these are quarters that are on military kasernes in Europe. There are a few, though, that are rented and are off base, which represent an additional security problem.

Senator **Exon**. Well, if I were a general living in Rome or Munich, or someplace else, I would probably rather live in town than out there on the base.

But I am just saying, I think we had better start facing reality in these situations. It would appear to me that as far as officers' quarters are concerned, that it would make more sense from both the security standpoint and maybe a cost standpoint because it certainly costs a lot of money, I would think, to secure some of these quarters when they are leased or otherwise provided by construction or something else.

Is there anything wrong with high-ranking officers living on base, or do they want to live in town?

General **Hilmes**. Absolutely; they would prefer to live on base and that is what we would like to have.

Senator **Exon**. They would prefer to live on base?

General **Hilmes**. Yes, sir.

Senator **Exon**. Have they always wanted to live on base or would they rather live in town? Or is it the security matter that caused them to want to live on base?

General **Hilmes**. I would say that they have always preferred to live on base; it is more convenient. The security matter certainly would enhance those feelings for those few who might prefer otherwise.

The biggest problem we have is in Italy and that is where we have some high-ranking officers, like General Dozier, living off base in leased units. Italy is where we want to add some construction for senior officer units.

Senator **Exon**. On base?

General **Hilmes**. On base. So, we are moving in that direction. Also as General Delbridge testified, we are going to build, for the first time in many years, 313 units in Germany. Those will be on base. So, we are moving in that direction.

Senator **Exon**. Other than in Italy where we had a happening, what other places do we have in Europe, or in what other potential hotbeds are we exposing our high-ranking officers to the threat that caught up with General Dozier?

General **Hilmes**. There are certain communities in Europe where you had terrorist activity in the past and are likely to again: Frankfurt, Karlsruhe, Heidelberg, where General Kroesen was shot at, as you recall, some time ago. There are more, I am sure, but those are three off the top of my head. Also, at the headquarters of SHAPE, we have high-ranking officials that are somewhat exposed. So, those are the areas that we concentrate on.

Senator **Exon**. I guess my question comes down, then, are you satisfied with the amount of money that you asked for security for top officers? Is it adequate or should we be putting in more?

General **Hilmes**. I think we have an adequate program at this time.

Senator **Exon**. Thank you. I am sorry to interrupt you; go ahead now, General.

General **Delbridge**. Thank you, Mr. Chairman.

Next, I will talk about deferred maintenance, Mr. Chairman. Essentially, deferred maintenance is a little like our backlog of maintenance and repair. In other words, everything that a facility engineer puts in his annual work plan, but has insufficient funds for, becomes deferred maintenance.

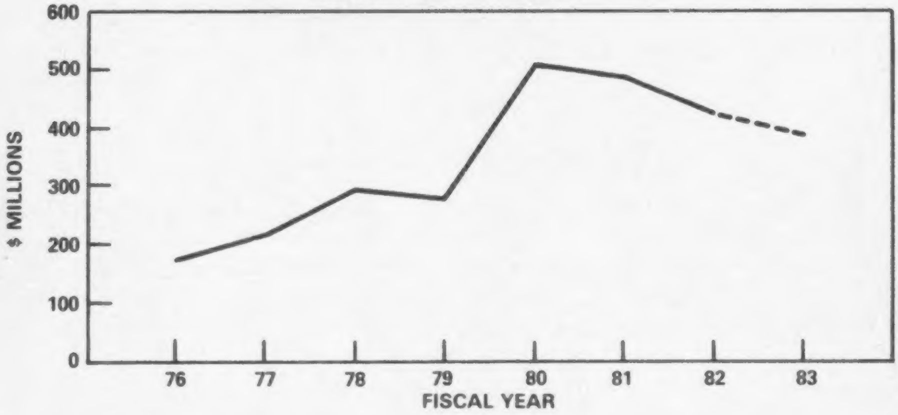
DEFERRED MAINTENANCE BACKLOG

(END FY 82 ESTIMATE)
($ MILLION)

EUROPE	$269
OTHER	$152
TOTAL	$421

BACKLOG HISTORY

(END OF YEAR)



Slide 128

DEFERRED MAINTENANCE BACKLOG

Our deferred maintenance in Europe and around the world is presently $421 million. The funding that we are requesting this year, if you will notice on the chart, is bringing that down, and we are pleased to be able to say that the backlog is not increasing and we have a strategy to maintain that downward trend.

IMPACTS ON DEFERRED MAINTENANCE BACKLOG

END PRIOR YEAR BACKLOG
+DETERIORATION
+INFLATION
+NEW MAINTENANCE

TOTAL MAINTENANCE REQUIREMENT
−FUNDS APPLIED

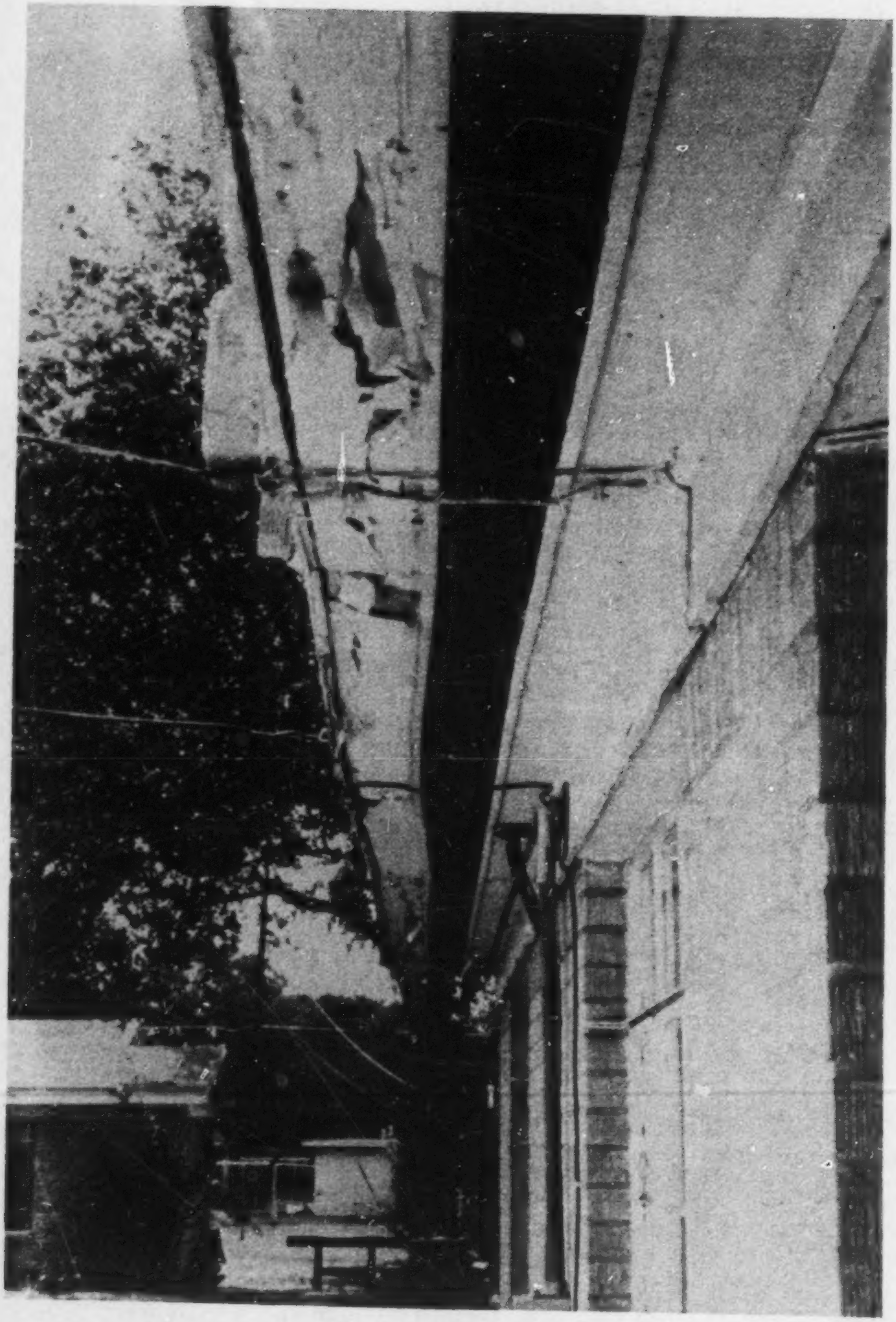
END CURRENT YEAR BACKLOG*

*BACKLOG IS NOT REDUCED BY AMOUNT EQUAL TO FUNDS APPLIED TO BACKLOG

SLIDE 129

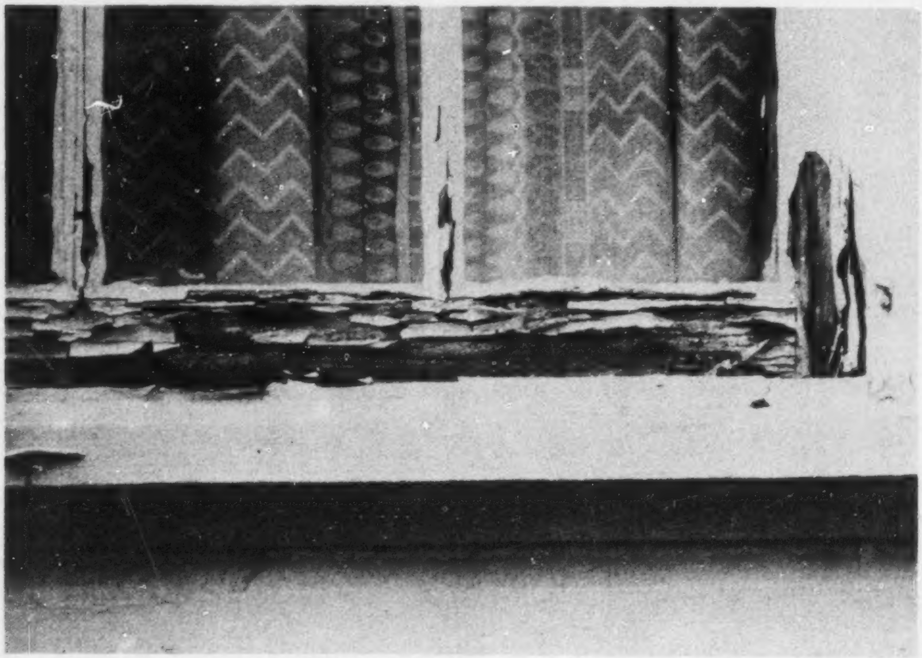
IMPACTS ON BACKLOG

All of the money that we apply does not necessarily go into the backlog, however. When we figure that we take the annual deterioration, whatever the inflation costs are, and new maintenance, and then, from that amount the funds are applied to give us the current-year backlog. The deferred maintenance will address some of the conditions that you see on the following slides.



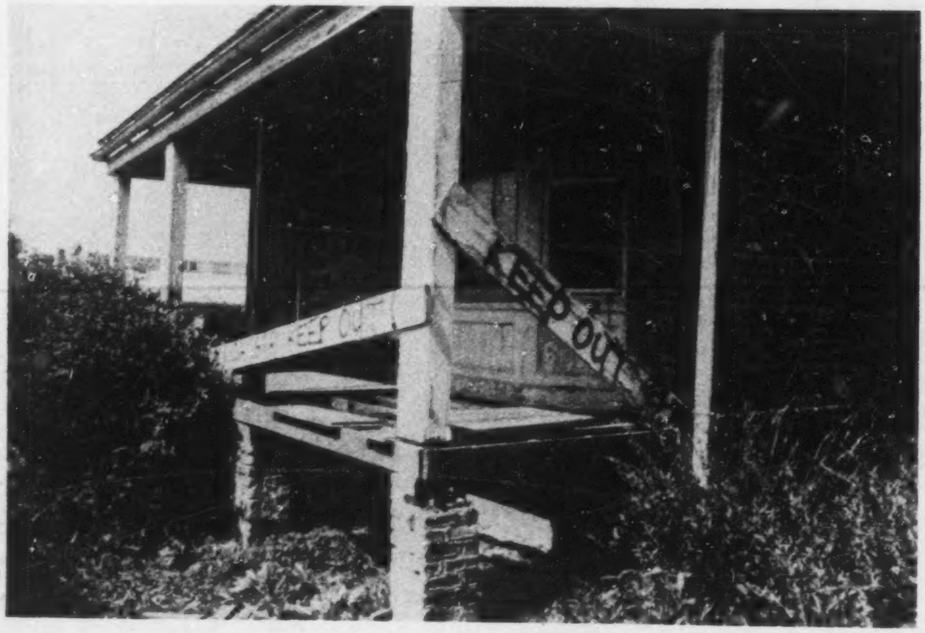
SLIDE 130

This is at Fort Sam Houston. These are all projects that are scheduled to be repaired in the current 1983 program.



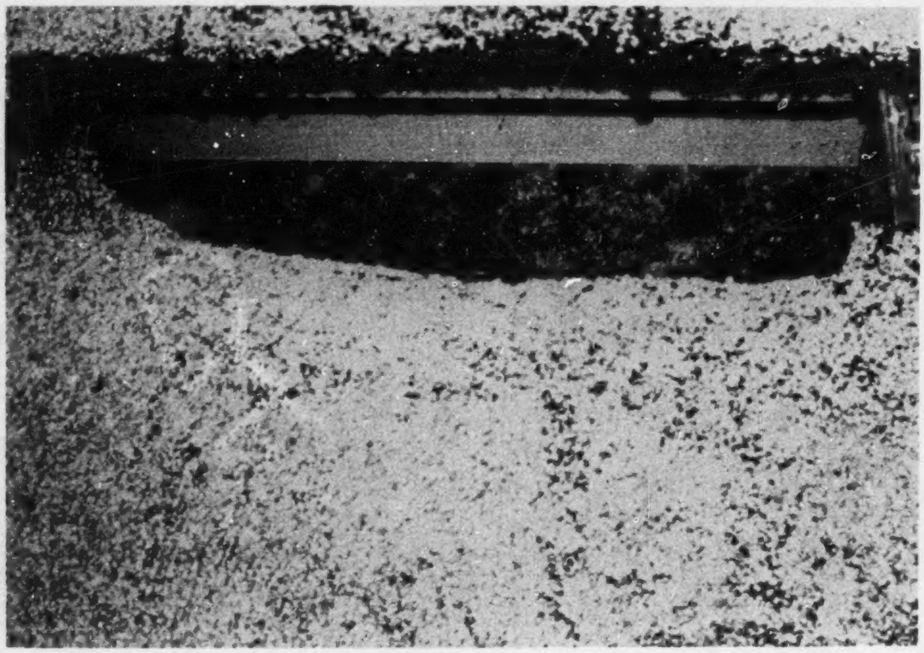
Slide 131

That one was also at Fort Sam Houston.



Slide 132

This is Fort Sheridan—it looks like we staged this one but I assure you that I have the name of the family that just moved out and the sergeant and his family who are living in there at the present time. I will say that the "Keep Out" signs to protect that porch have been removed and the porch has been repaired, but there is a family in that particular set of quarters at Fort Sheridan.



SLIDE 133

Also, the roof will be repaired on this particular set of quarters at Fort Hood.

SLIDE 134

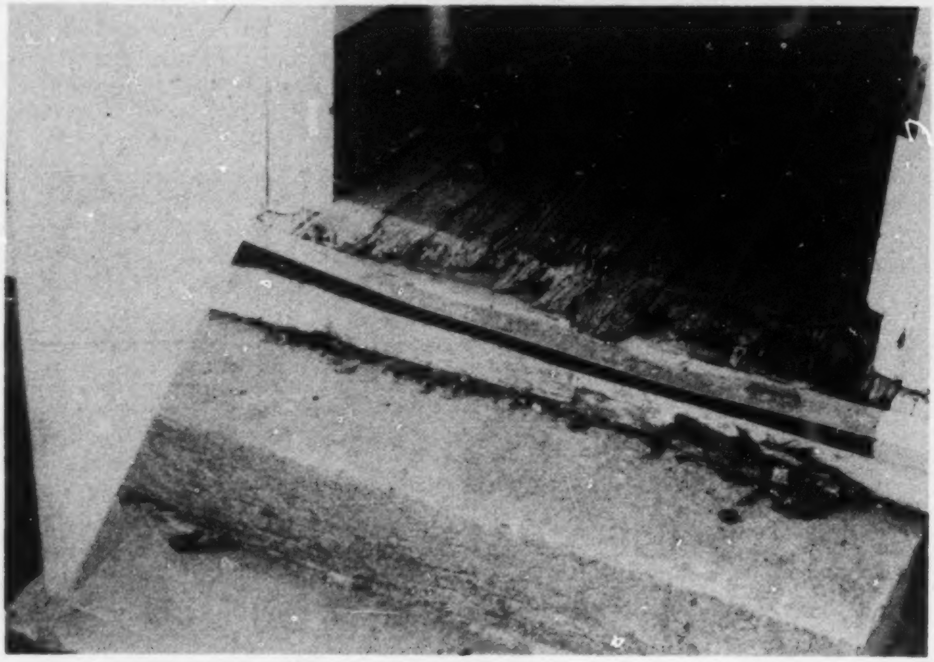
At Aberdeen Proving Ground, this is a housing area at Chesapeake Gardens which is scheduled for repair.

Senator Exon. General, let me interrupt you again. I had a little experience on my house here in Washington with that. I worked on it over the weekend. I just suggest a primer might help. [Laughter.]

General Delbridge. It certainly would in this case, Mr. Chairman, I must agree.

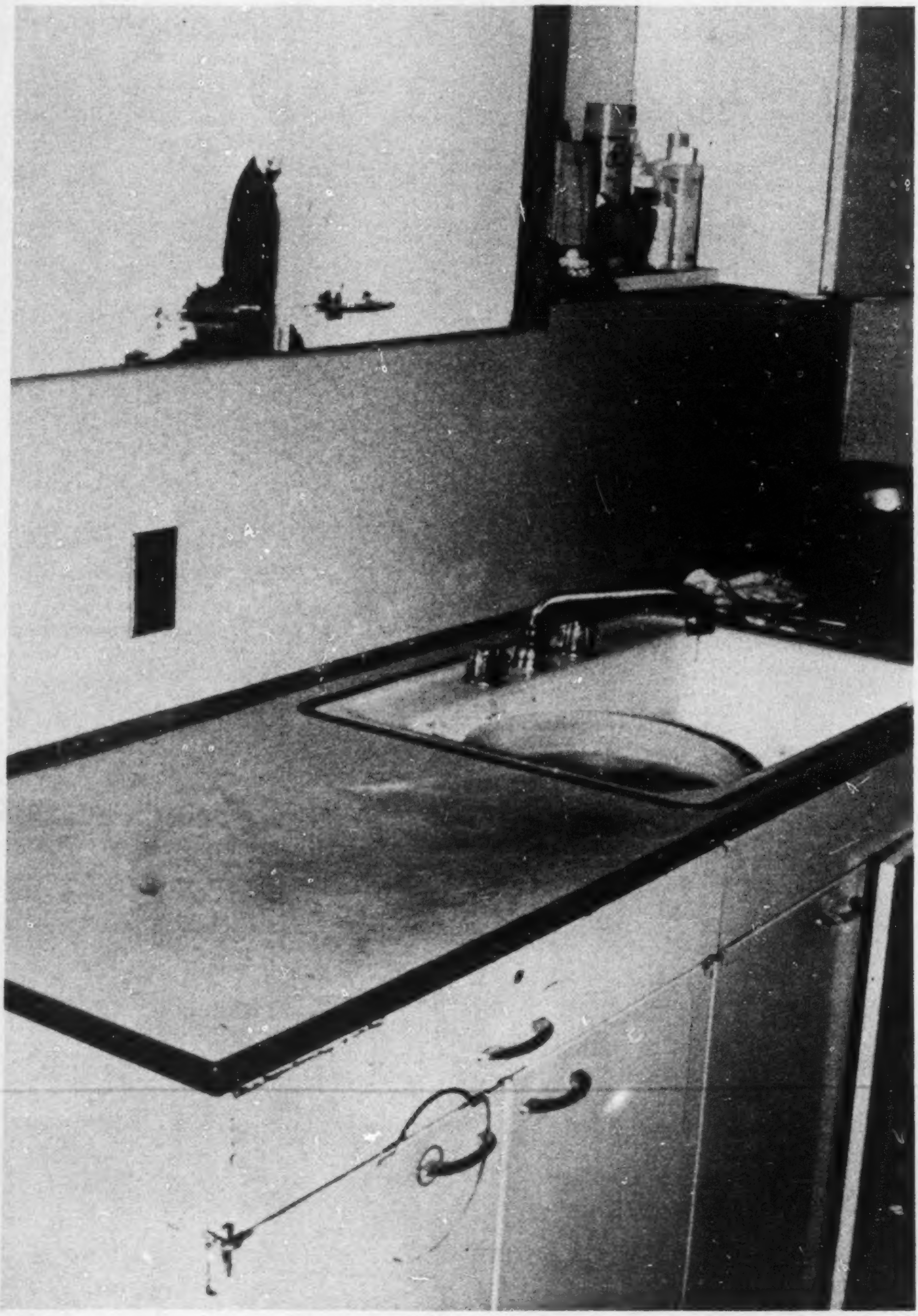
Slide 135

This is worn flooring that will be repaired at Fort Meade.



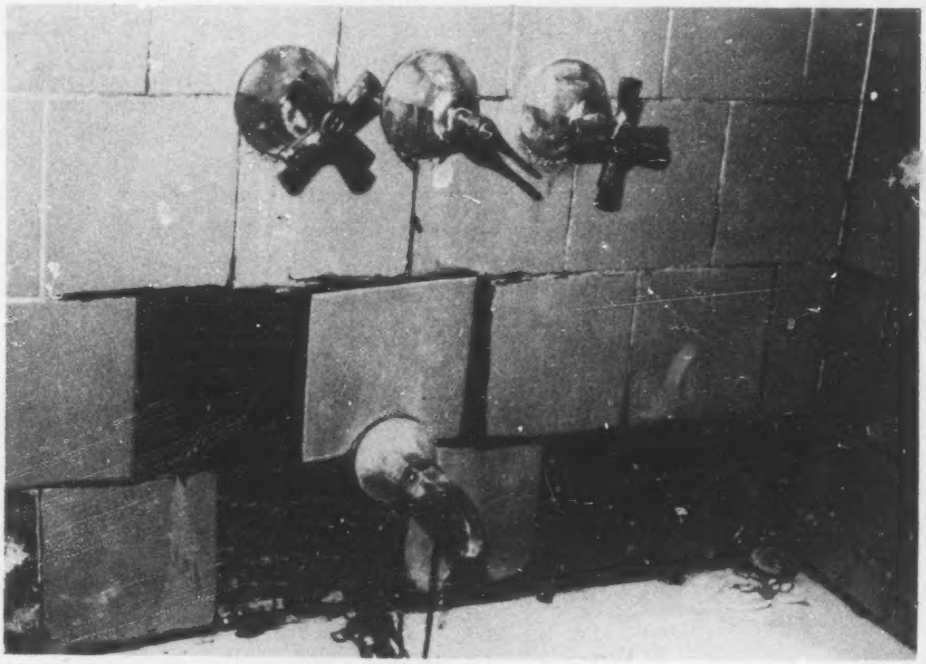
SLIDE 136

This threshold is at Fort McPherson.



SLIDE 137

These are old metal kitchen cabinets at Fort Richardson, Alaska.



Slide 138

These bathroom facilities are at Fort Wainwright.

Slide 139

That is sidewalk deterioration also at Fort Meade. I believe those are all of the horror-story pictures that we have today.

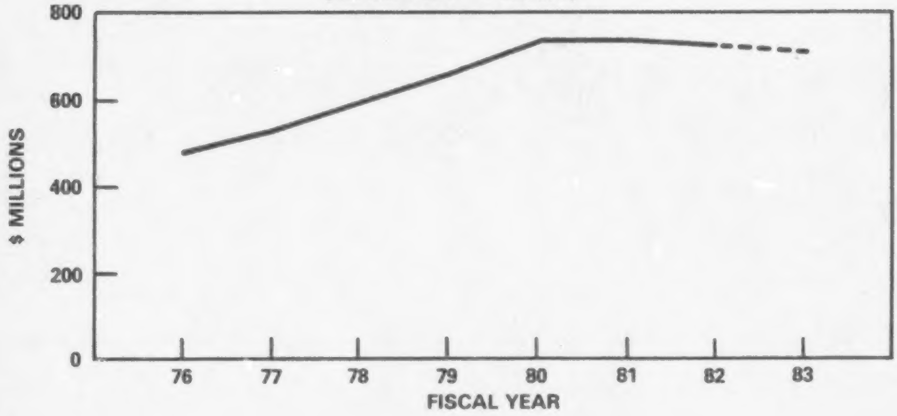
IMPROVEMENTS BACKLOG

(END FY 82 ESTIMATE)
($ MILLION)

EUROPE	$247
OTHER	$480
TOTAL	$727

BACKLOG HISTORY

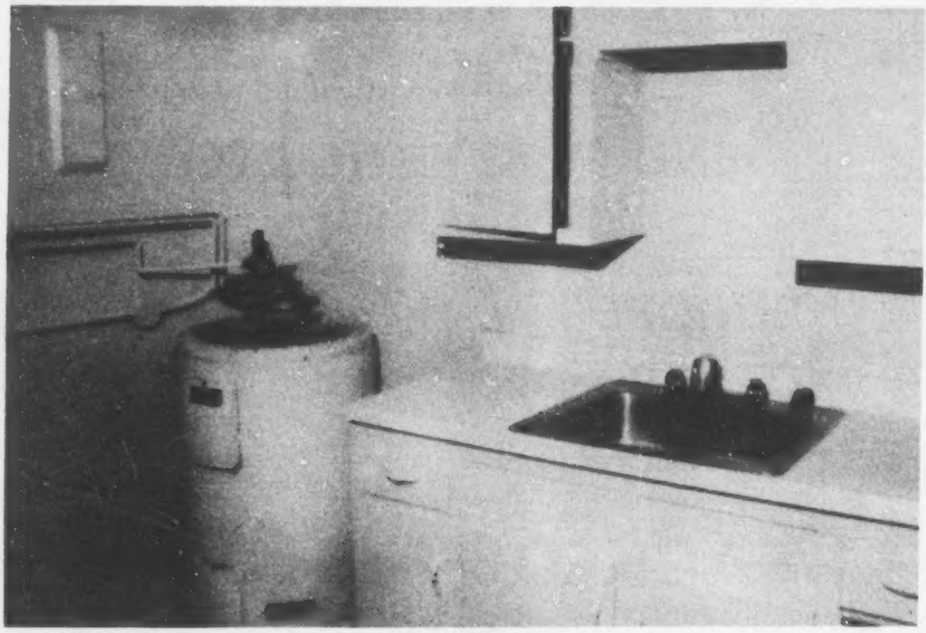
(END OF YEAR)



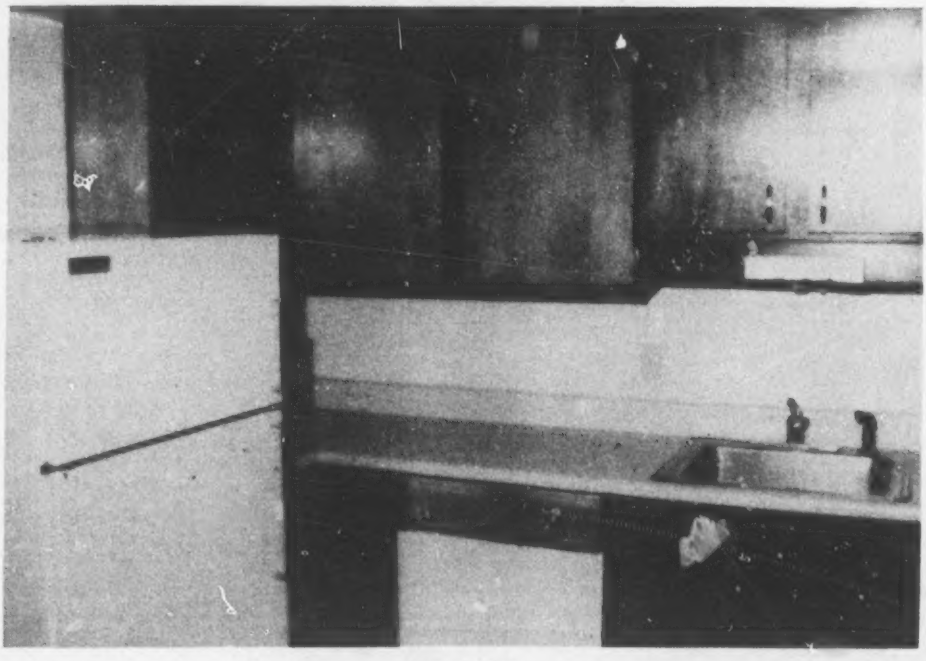
Slide 140

Post-acquisition construction is an alteration and/or addition to bring a housing unit up to current contemporary standards. We have a blacklog in that area as well and you will notice that it is a bit higher, $727 million.

We will bring that down, as you see by the chart. We are applying $66 million to it; it is not going up and you will notice that there is a slight downward trend.

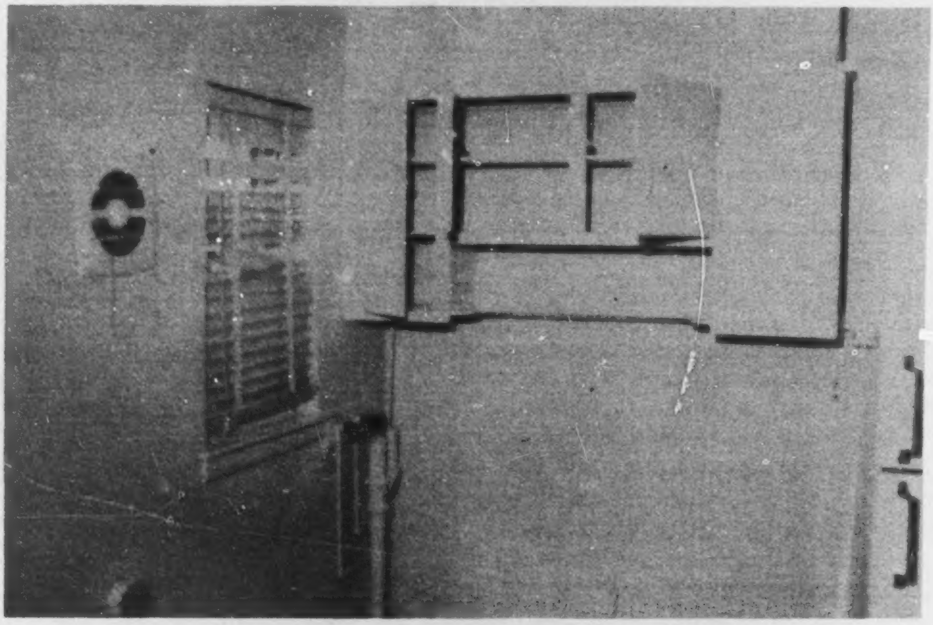


SLIDE 141

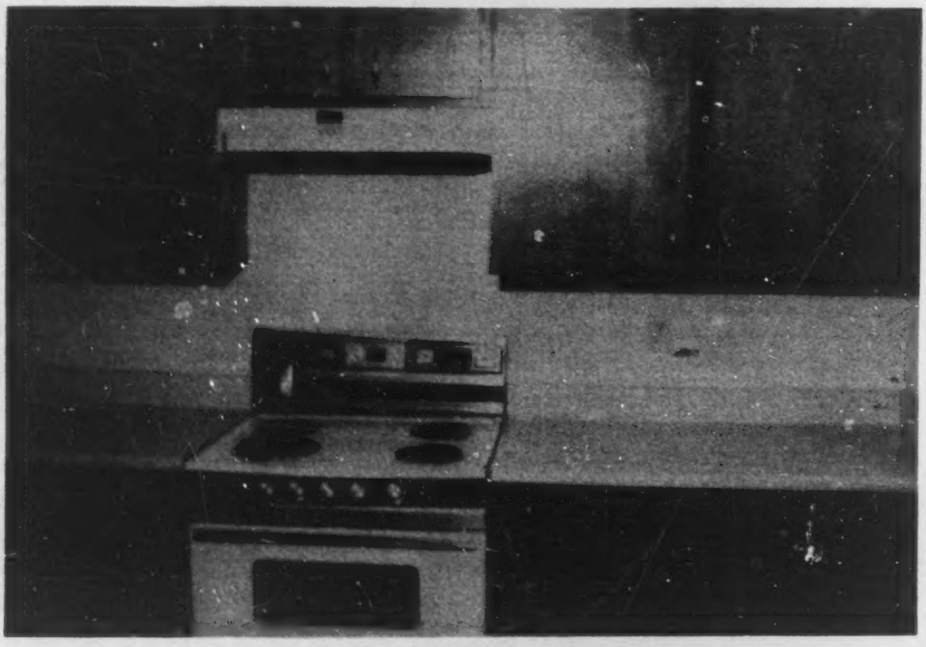


SLIDE 142

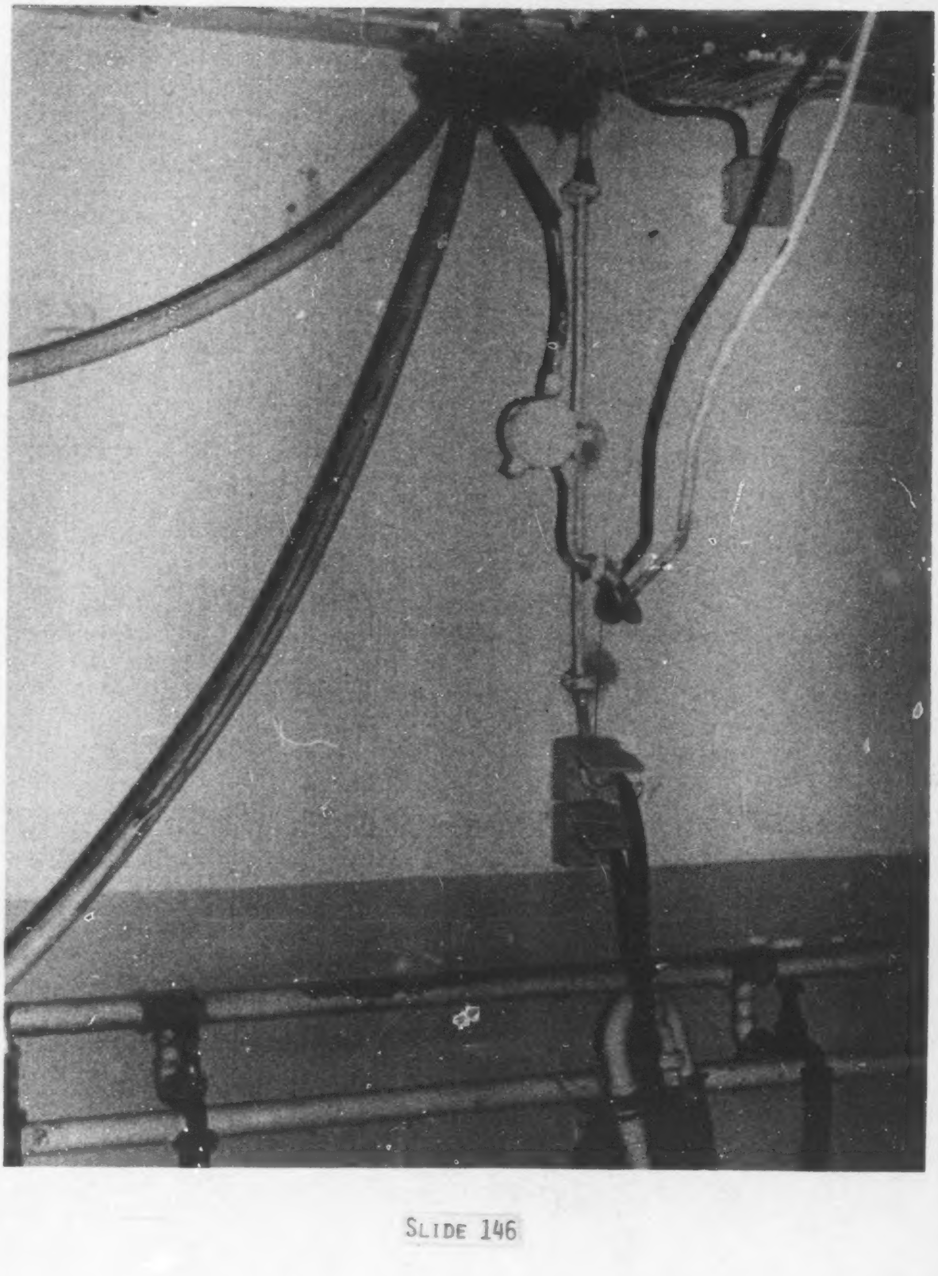
What that does is such things as install new cabinetry in the kitchens such as these before and after pictures show at Fort Campbell, Ky.



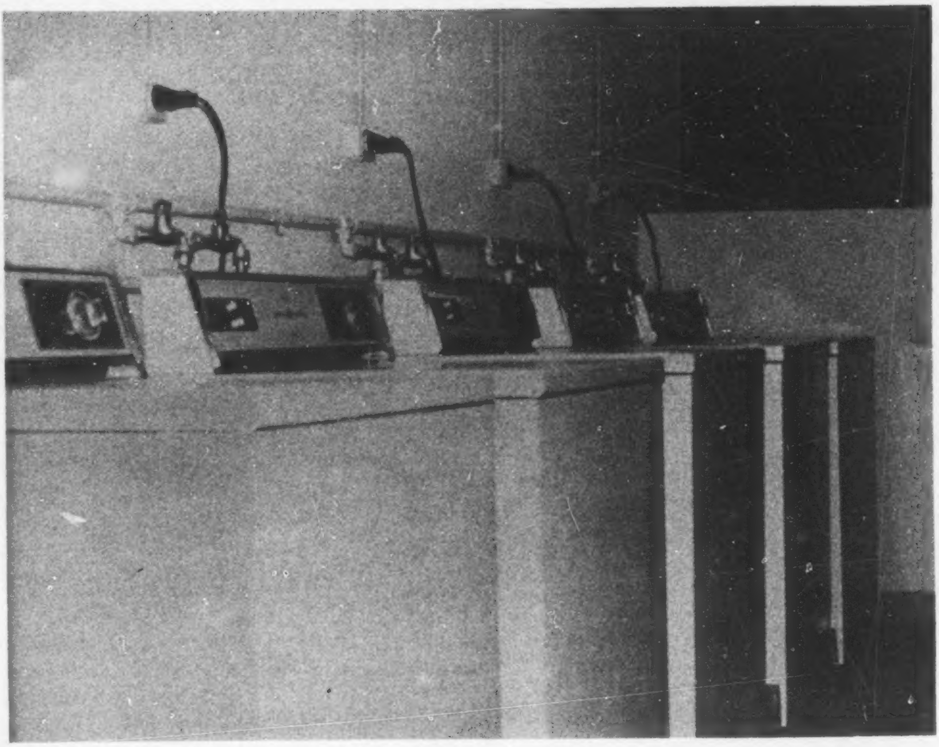
SLIDE 345



SLIDE 346



Slide 146



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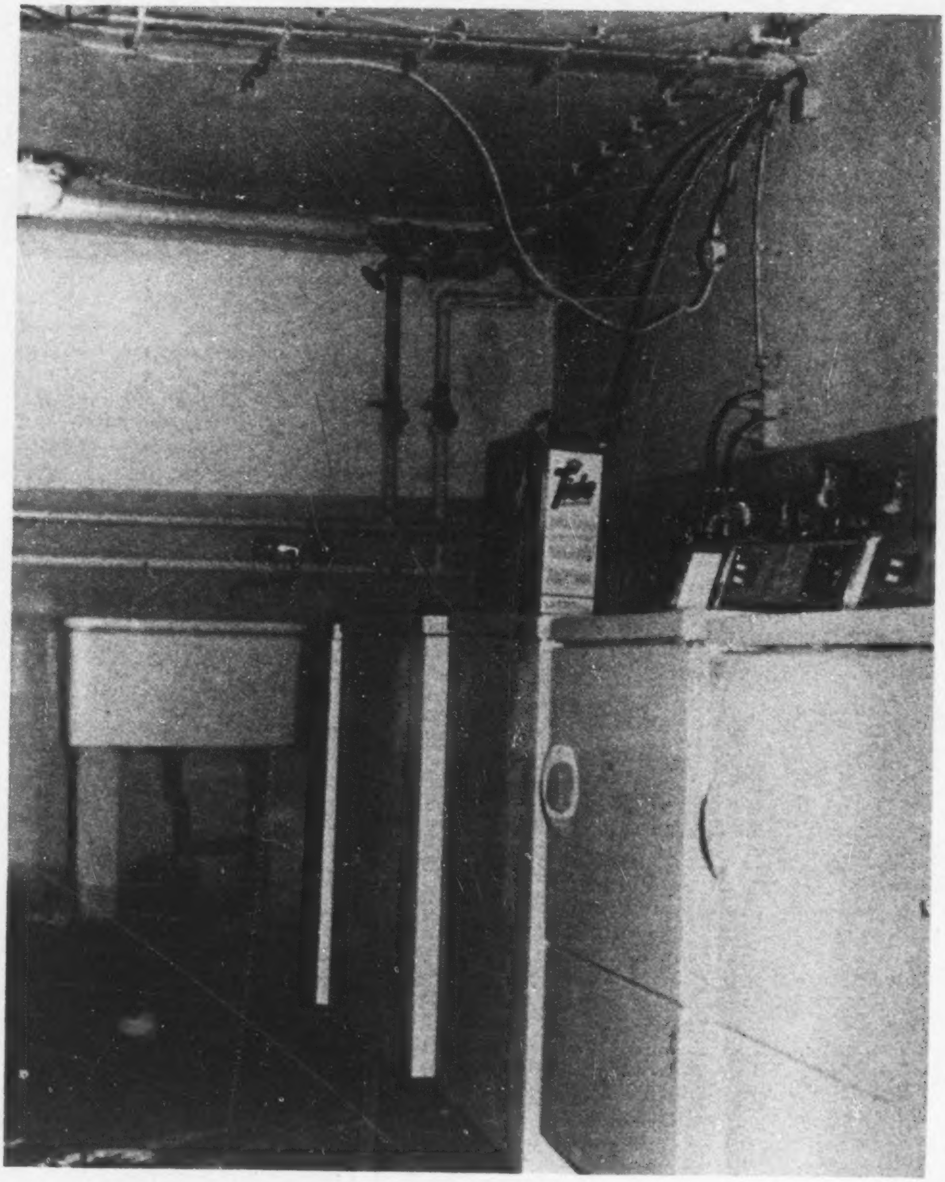
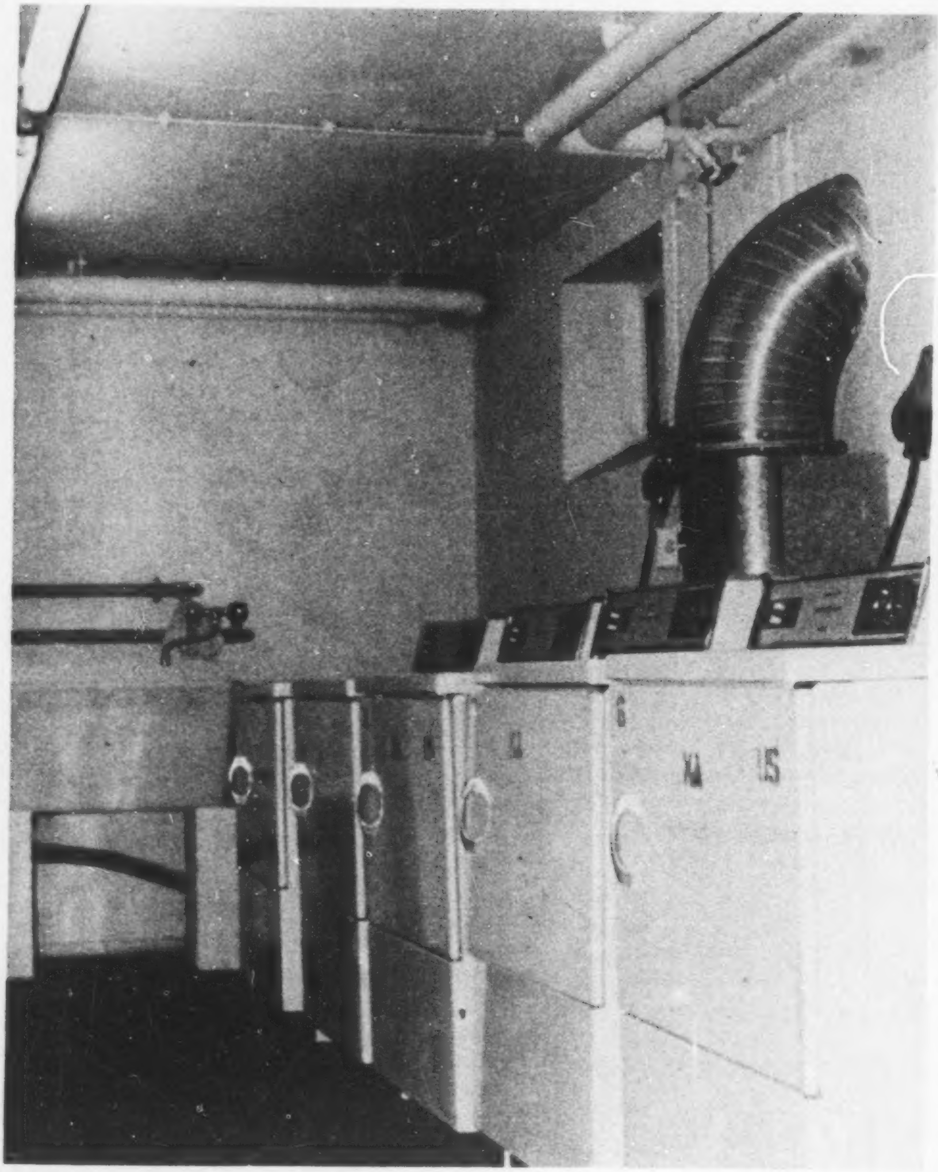
SLIDE 147



Slide 148



SLIDE 149

In Europe, it improves the laundry rooms in the stairwell apartments and provides adequate up-to-date modernized laundry rooms, as these before and after pictures show.

HOMEOWNERS ASSISTANCE FUND

PROVIDES ASSISTANCE TO MILITARY AND CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE WHEN IMPACTED BY BASE CLOSURE OR REDUCTION IN SCOPE OF OPERATIONS

SLIDE 150

Finally, Mr. Chairman, the homeowners assistance fund provides assistance in the case of employees of the Department of Defense when impacted by a base closure or reduction. The Army is the executive agent for all of the services in this area.

HOA — TOA

($ MILLION)

AUTH/APP	$4
PLUS: RESOURCES APPLIED	$2
HOA — TOA	$6

SLIDE 151

We are requesting a total of $4 million for authorization and appropriation, plus the resources which have been applied to that program, that is in sale of property. This will give us a total obligation authority of $6 million.

AFH THRUST
FY 83 BUDGET REQUEST

- COST OF OWNERSHIP
- PROGRAM INITIATIVES
  - HOUSE SOLDIER FAMILIES
  - FIX INVENTORY
  - IMPROVE INVENTORY

SLIDE 152

In summary, Mr. Chairman, our budget request of a little over a billion dollars in designed, first, to address the cost of ownership, that we do not fall backward anywhere along in our program—a program that the Army considers to be one of its most important areas, taking care of its soldiers and their families. And then to also address our program initiatives, to house our soldiers and their families via new construction or leasing to fix that inventory where appropriate and to improve the inventory as well.

I have gone over, a little, the time I asked for, Mr. Chairman. I would guess maybe our questions aided in that.

Senator EXON. That was my fault, I will accept responsibility for that.

Incidentally, to improve your presentation—which was a good one—I have some horror pictures from the Reserve facility in Omaha, Nebr., that I would like to share with your photo gallery. It is even better than some that you showed.

I think that finishes it, except that I understand we possibly should go into a classified session for the ballistic missile matter. Are you prepared and do you want to go into that now?

General DELBRIDGE. We are prepared, Mr. Chairman. We can answer unclassified questions and have a presentation if you so desire, or we can answer questions—both classified and unclassified—for the record.

Senator EXON. I think to expedite it I would ask staff at this time to make sure we are in a classified mode and then let us go right into it and see if we can expedite it.

[Whereupon, at 12:12 p.m., Tuesday, April 20, the subcommittee, proceeded in executive session.]

EXECUTIVE SESSION

Ballistic Missile Defense Systems Command

STATEMENT OF CECIL D. RICHARDSON, DIRECTOR, SYSTEMS TECHNOLOGY PROGRAM, BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

The subcommittee met at 12:13 a.m., in room 212, Russell Senate Office Building, Hon. James Exon presiding.

Present: Senator Exon.

INTRODUCTION OF WITNESS

Senator Exon. I assume that we are in the proper mode now to continue.

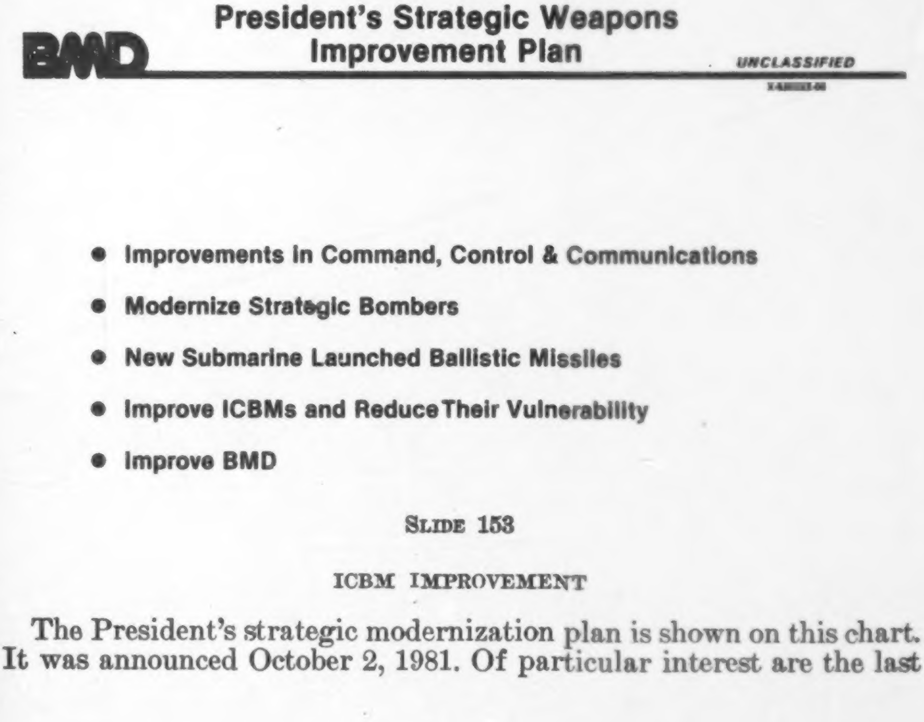
General Delbridge. Yes, sir, we are all clear back here.

Senator Exon. Proceed, General.

General Delbridge. I would like to introduce Mr. Cecil D. Richardson, Mr. Chairman, Director, systems technology program of the Ballistic Missile Defense Systems Command, who will handle this portion of the briefing.

STRATEGIC MODERNIZATION PLAN

Mr. Richardson. Good morning, sir, it is a pleasure to have an opportunity to discuss our ballistic missile defense program and the construction requirements for that program.



BMD **President's Strategic Weapons Improvement Plan** UNCLASSIFIED

- Improvements in Command, Control & Communications
- Modernize Strategic Bombers
- New Submarine Launched Ballistic Missiles
- Improve ICBMs and Reduce Their Vulnerability
- Improve BMD

Slide 153

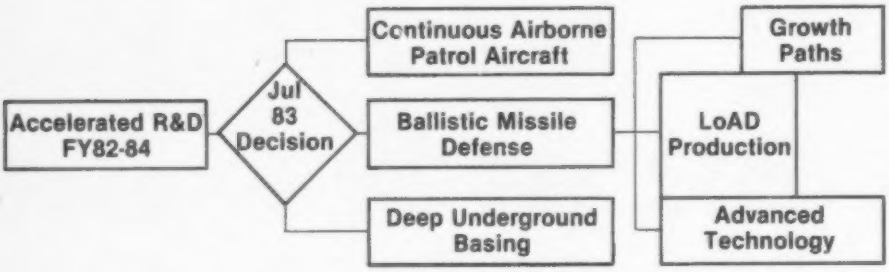
ICBM IMPROVEMENT

The President's strategic modernization plan is shown on this chart. It was announced October 2, 1981. Of particular interest are the last two items of improvement in our ICBM's, reducing their vulnerability and improving the BMD.

The BMD organization is examining concepts and technologies applicable to defense of both deceptively based and nondeceptively based ICBM's, that is in fixed silos.

BMD **BMD Under The Reagan Strategic Program** *UNCLASSIFIED*

X-820222-08


Accelerated R&D FY82-84

Jul 83 Decision

Continuous Airborne Patrol Aircraft

Ballistic Missile Defense

Deep Underground Basing

Growth Paths

LoAD Production

Advanced Technology

"Any Ground-Based Scheme Ultimately Would Require A Ballistic Missile Defense For Survivability"

SLIDE 154

BMD PROGRAM

While the details of the optimized BMD system to support the MX basing are still being determined, the BMD program is proceeding as indicated on the left slide. The program includes accelerated R. & D. on an optimized terminal defense system using generic low altitude defense [LoAD] components. The advanced technology includes continued work on exoatmospheric overlay and endoatmospheric nonnuclear kill systems as growth paths for continued expansion of the state-of-the-art BMD technology.

BMD **The BMD System** *UNCLASSIFIED*

X-820222-05

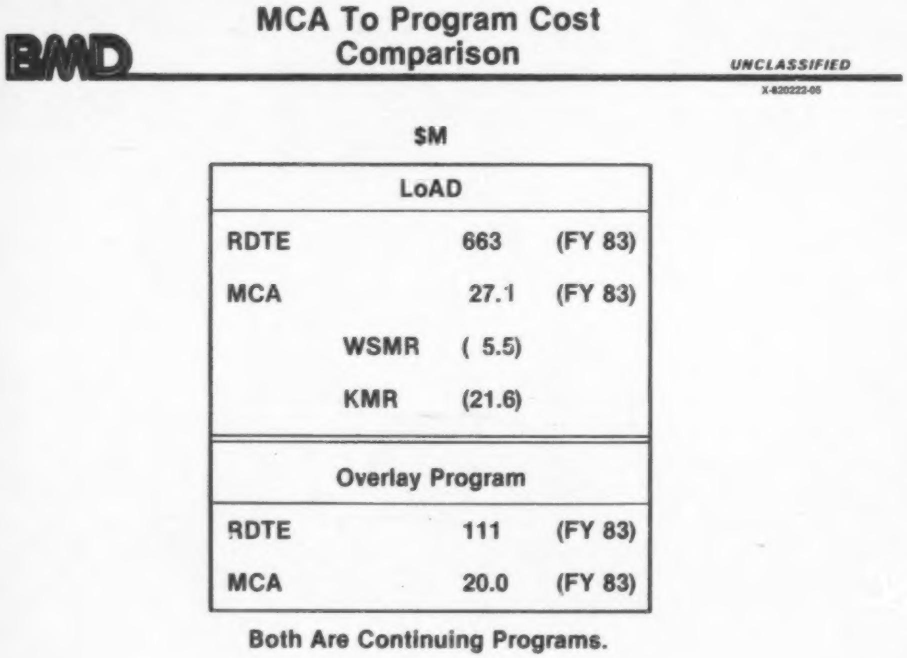
- Underlay
- Overlay
- Layered Defense

SLIDE 155

TERMINAL OR UNDERLAY DEFENSE

Ballistic missile defense systems can be configured to defend against a variety of threats. The terminal or underlay defense uses relatively mature technology and operates in the endoatmospheric regime. It can be deployed by the planned IOC to defend silo-based ICBM or other hard targets. Its exoatmospheric counterpart, the overlay, depends on technology less mature than that of the underlay. It has application against certain structured attacks and as a growth path for terminal defense. The combination of overlay and underlay produces what is called the layered defense. This provides defense for very high threat levels against sophisticated targets.

The current MCA requests are for facilities for testing of the LoAD interceptor and data collection for the overlay long wave infrared optical technology.



BMD

MCA To Program Cost Comparison

UNCLASSIFIED

X-820222-05

$M

LoAD			
RDTE		663	(FY 83)
MCA		27.1	(FY 83)
	WSMR	(5.5)	
	KMR	(21.6)	
Overlay Program			
RDTE		111	(FY 83)
MCA		20.0	(FY 83)

Both Are Continuing Programs.

SLIDE 156

MCA REQUESTS

The slide on the left compares the MCA requests with the total program they support. Each is an ongoing program with significant outyear funding as well as what is shown for the fiscal year 1983. The optical aircraft measurement program [OAMP] is part of the data base collection portion of the total exoatmospheric program.

BMD **LoAD Construction/Tests Schedule** CONFIDENTIAL

X-[illegible]-04

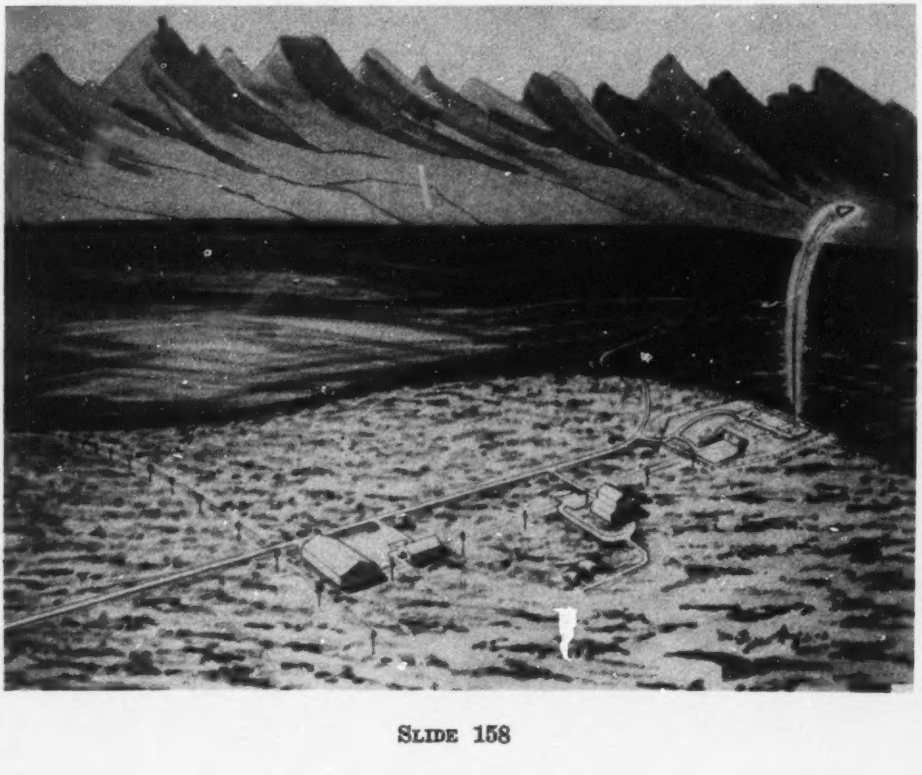
(DELETED)

SLIDE 157

TEST FACILITY UTILIZATION

The proposed test facility utilization is shown on this slide. The testing program for the LoAD system (now named Sentry), will consist of the interceptor subsystem development firings at White Sands Missile Range and the total system tests conducted at Kwojalein Missile Range [KMR] with live intercept of reentry vehicles.

Testing the interceptor first at White Sands will be significantly cheaper than doing all the testing at KMR. White Sands Missile Range has the capability to conduct more rapid analysis of test data since we can recover the missiles, it permits better logistics support and provides easier access to the test site. While testing and, therefore, construction completion will occur first at White Sands, the KMR construction must begin early to allow system integration prior to the actual flight tests. KMR is the only range where full system testing can take place due to the requirement to engage ICBM reentry vehicles as targets.



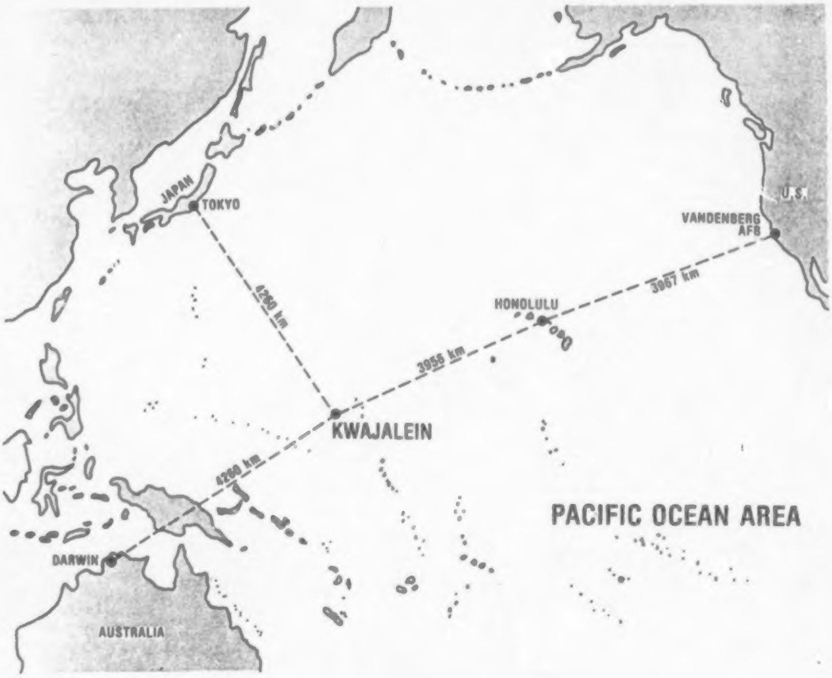
SLIDE 158

INTERCEPTOR SUBSYSTEM DEVELOPMENT FLIGHT TESTS

I would like now to review the interceptor subsystem development flight tests at White Sands Missile Range. On the right is a pictorial showing an artist's concept of the test facilities and activities during an interceptor development firing at White Sands. The interceptor will fly on a trajectory, preprogramed before launch, to intercept a space point within a few seconds.

These development firings are required early in the program in order to meet the full-up system development firings at KMR. Some parallel testing is also required to meet the planned accelerated schedule.

The primary facilities required include a launch complex, missile assembly building, liquid propellant facility, explosive storage facility, test support building and maintenance facility. Additional work will also be needed for site development, utilities, and communications.

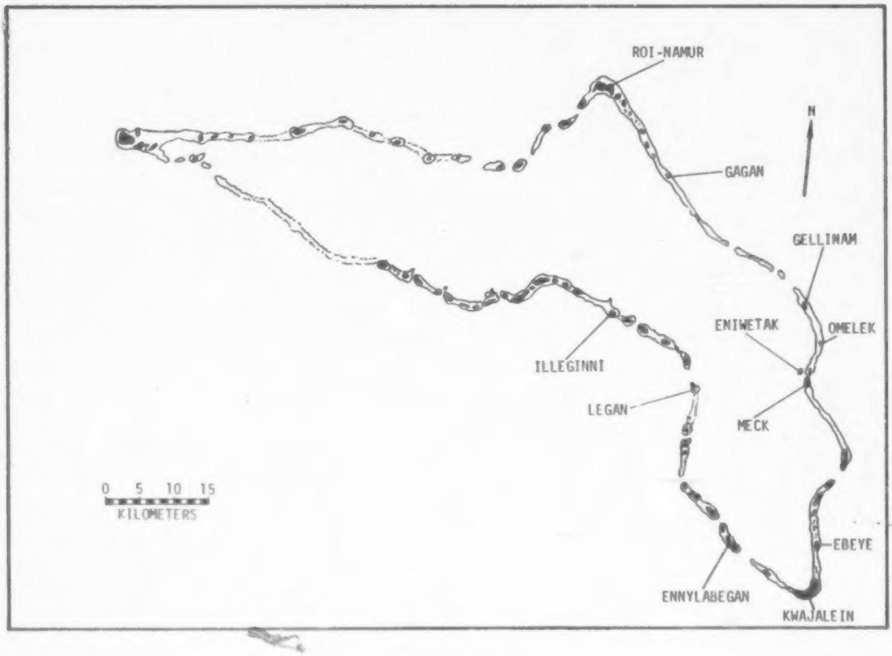


SLIDE 159

KWAJALEIN TEST CONCEPT

Moving now to the test concept at Kwajalein Missile Range [KMR]. The slide on the left is a general site map and distance relationship between KMR and the continental United States. As you can see, there is considerable distance between these locations.

KWAJALEIN ATOLL



SLIDE 160

PHYSICAL LAYOUT AT KMR

The slide on your right depicts the physical layout at KMR and points out the specific islands which are used to support the present testing programs and which will support BMD. The testing concept at KMR will include the radar, data processing equipment, and interceptor. These components will be used to demonstrate the Sentry system and subsystem performance and operation in a real environment with live intercepts of reentry vehicles fired from Vandenberg Air Force Base.

The primary facilities to be constructed consist of a radar, data processing, test equipment building, a launch complex, and an operations and control facility.

I would point out, this construction was planned to take maximum advantage of the existing facilities in order to minimize construction and operational costs.

The facilities requested for the BMD program are clearly essential in light of the BMD program's expanded role in the new strategic program. The facilities at White Sands Missile Range and KMR are planned for the sentry terminal defense program. However, the strategic modernization program makes them even more critical because the IOC date represents [deleted] acceleration from the old LoAD PPD [pre-protoype demonstration] program. Therefore, the development schedules for the major subsystems will proceed at a significantly increased level of intensity.

Sir, this concludes the briefing I would like to give. Are there any questions?

General DELBRIDGE. I would like to add something and then I will let Mr. Richardson carry it from here. The classified project that we referred to earlier is for $20 million for a hangar project [deleted] which Mr. Richardson should probably address at this time.

Senator EXON. Proceed.

Mr. RICHARDSON. [Deleted.]

General DELBRIDGE. We have a slide of that particular aspect, if they can find it back there.

Senator EXON. While they are trying to find the slide, may I ask a question? You have been asked to expedite the decision on the MX basing to December of this year. How are we coming on that?

Mr. RICHARDSON. I do not have specific knowledge of how the MX basing decision is coming along. I can tell you that for the BMD part of it, we are doing everything we can to support an early decision on what basing should be used and how the defense capabilities will contribute to MX survivability.

Senator EXON. There is the slide, I guess.

[CLERK'S NOTE.—Slides 161 and 162 contained classified information and were, therefore, deleted from the record.]

Mr. RICHARDSON. This is a slide showing the aircraft and the general [deleted].

Senator EXON. What is the reason for that one at [deleted].

Mr. RICHARDSON. No, sir. This is to get [deleted].

Senator EXON. That we could not get even if we had our [deleted].

Mr. RICHARDSON. That is correct. We would not have gotten that [deleted].

We have [deleted].

Senator EXON. Anything further? I have about three questions. Do you have anything else?

Mr. RICHARDSON. No, sir.

Senator EXON. You have substantial funding requested for facilities in support of an increased effort on a ballistic missile defense system. As I understand it, your request includes $21.6 million for facilities in Kwajalein and $5.5 million for work at White Sands, both in support of the LoAD system.

Are there additional construction requirements to support the LoAD program in the future?

Mr. RICHARDSON. There will be a requirement for MCA in fiscal year 1984 for additional State side test sites which will include [deleted] commensurate with the basing of the MX.

Senator EXON. Can you give us any ball-park figures as to what those requests might be at this time, in your judgment?

Mr. RICHARDSON. The actual cost will depend somewhat on the MX basing, but I would hazard a guess in the range.

Senator EXON. General, as you know—and as I referred to a moment ago—the Defense Department is now studying different ways to deploy the MX in a survivable mode. I am just wondering, do you think it is premature to proceed with the construction of these types of facilities now before the Defense Department decides on how and where to base the MX missile—or something that would take its place in our overall defense posture—before that decision has been made?

Mr. RICHARDSON. Sir, these construction projects were originally scheduled to support the LoAD preprototype demonstration program which was to demonstrate the BMD research and development technologies. These test facilities support the testing of those BMD components that could be used to defend various offensive system configurations. Thus, they should be funded in fiscal year 1983 regardless of the MX basing decision.

Senator EXON. So, what you are really saying is, there is basic research and development that you feel has to go forward, regardless of "yes"—"no" on MX or something like it.

Mr. RICHARDSON. That is correct. As long as there is interest in defending our ICBM force, this effort should go forward.

Senator EXON. One final question which keeps coming up and [deleted].

Mr. RICHARDSON. Well, since we are in executive session, I can answer that much more completely.

[Deleted.]

Senator EXON. Since we are in executive session, and since you are involved in this, you must have some knowledge as to what the Soviets are doing in this area now. Where do you think they are in this particular field?

Mr. RICHARDSON. Sir, the Soviets have a very aggressive ABM program. As you are well aware they have a deployed site around Moscow that is currently operational. They are getting operating experience on that. [Deleted.]

Senator EXON. And they are deploying that in a mode and fashion which would not violate the treaty. As I remember the treaty, you can have one set system around one field: is that generally correct?

Mr. RICHARDSON. That is correct. The Soviets chose their nation's capital, Moscow. We chose Grand Forks. They are limited to 100 interceptors.

Senator EXON. Are you convinced that they are exercising the right restraint in that area; has there been any hint that they are exceeding the treaty?

Mr. RICHARDSON. [Deleted.]

Senator EXON. [Deleted.]

Mr. RICHARDSON. I have a suspicious mind.

Senator EXON. Thank you very much, gentlemen, we appreciate your testimony, it was well put together. It was done with dispatch and I thank you.

SUBCOMMITTEE RECESS

We stand in recess until 10 o'clock in the morning.

General DELBRIDGE. Thank you, Mr. Chairman.

Senator EXON. Thank you.

[Whereupon, at 12:28 p.m., Tuesday, April 20, the subcommittees were recessed, to reconvene at 10 a.m., Wednesday, April 21.]

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1983

MILITARY CONSTRUCTION CODIFICATION BILL

WEDNESDAY, APRIL 21, 1982

U.S. SENATE,
SUBCOMMITTEE ON MILITARY CONSTRUCTION,
OF THE COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON MILITARY CONSTRUCTION
OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittees met at 10:02 a.m., in room 212, Russell Senate Office Building, Hon. Paul Laxalt presiding.

Present: Senators Laxalt, Mattingly, Thurmond, and Cannon.

Staff present: James C. Smith, professional staff member; Paul C. Besozzi, minority counsel; and Marie Fabrizio Dickinson, staff assistant.

Also present: Buzz Hefti, assistant to Senator Warner; Frank Krebs, assistant to Senator Cannon; Greg Pallas, assistant to Senator Exon; and Rick Pierce, professional staff, Committee on Appropriations.

OPENING STATEMENT BY SENATOR PAUL LAXALT, PRESIDING

Senator LAXALT. As we continue our hearings on the fiscal year 1983 military construction budget request. I am pleased to welcome Admiral Zobel who will represent the Navy's program, General Petersen for the Marines, and Admiral Daniels, representing the Naval Reserve and the Marine Corps Reserve.

The overall Navy request before our subcommittees is $1.208 billion, a decrease of about $200 million from last year's appropriated amount. Of this requested amount I understand the Marines are requesting $174 million for their requirement.

General PETERSEN. That is correct, sir.

The Reserve request is an additional $25.2 million.

Admiral DANIELS. Yes, sir.

Senator LAXALT. Even with a decrease in this year's program we are faced with a very sizable program which includes such important projects as the continuation of the Trident support facilities at King's Bay, Ga.—I know my colleague, Senator Mattingly, will be here later to inquire concerning that.

Gentlemen, I look forward to receiving your testimony which I know will be valued by all of our members as we begin consideration of your budgets.

Admiral Zobel, would you like to start?

STATEMENT OF REAR ADM. W. M. ZOBEL, CEC, U.S. NAVY COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND; ACCOMPANIED BY BRIG. GEN. F. E. PETERSEN, U.S. MARINE CORPS, DIRECTOR, FACILITIES AND SERVICES DIVISION, INSTALLATIONS AND LOGISTICS DEPARTMENT, HEADQUARTERS, U.S. MARINE CORPS; REAR ADM. W. D. DANIELS, U.S. NAVAL RESERVE, DEPUTY CHIEF OF NAVAL RESERVE; REAR ADM. S. G. CATOLA, PROJECT MANAGER, TRIDENT SYSTEM PROJECT OFFICE, OFFICE OF THE CHIEF OF NAVAL MATERIAL; CHAIRMAN COX, DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR LOGISTICS; AND REAR ADM. DONALD E. WILSON, SC, U.S. NAVY, COMMANDER, NAVY RESALE AND SERVICES SUPPORT OFFICE

Admiral ZOBEL. Thank you, sir. It is always a pleasure to be here before you, Senator Laxalt.

Senator LAXALT. Thank you.

Admiral ZOBEL. With your permission I will submit a full statement for the record and just give you a few highlights.

Senator LAXALT. Very well.

Admiral ZOBEL. The Navy and Marine Corps authorization is for $1.118 billion, and the appropriation request—as you have indicated—is $1.208 billion, excluding family housing, in comparison with fiscal year 1982, $1.24 billion in authorization and $1.451 billion in appropriation.

We believe that this year's budget submission is balanced between operational fleet needs, enhancement of the quality of life, energy conservation, and improvement of our industrial capacity in the United States.

Eighty-one percent of our budget is inside the United States. This year's Navy submission, as you indicated sir, is down from last year's. The Navy's decision was to put the added funds into required weapon systems, but we believe that we have an appropriate balance between weapon systems procurement and quality of life.

One point in which the Navy is somewhat unique is that our sailors live aboard ship and, therefore, quality of life and their weapon systems are in many cases tied very tightly together—they live in weapon systems.

In addition, we are making good progress in our family housing. Our family housing request is $791 million in authorization and $797 million in appropriation, as compared with last year's 1982 program of $608 million in authorization and $612 million in appropriation.

We are continuing to initiate early project design with your help and urging. Fiscal year 1981, as we completed it, is the fourth year in which over 90 percent of our projects were under contract. As a matter of fact, last year we had our best year ever, 95 percent of the contracts. Those early designs mean early obligations and, we believe, reduced construction costs.

We also recognize that in some cases it means some lost design effort, but we believe that is necessary and a reasonable cost of doing business. It achieves an overall savings. If you look at only a 7-percent inflation rate, a 3-month delay in the 1983 program, for example, in our construction awards would be eight times greater than our breakage in design in 1981. So, we think that even though we may lose a little on design it is a worthwhile effort.

We are looking at innovative methods of achieving our facilities needs. One example is the steamplant at the Norfolk Naval Shipyard. We are proposing a modern refuse-derived fuel steam plant with a cogeneration capability, generation of both steam and electricity.

The Southeastern Public Service Authority is also constructing a refuse-derived fuel processing plant alongside the shipyard which would provide us refuse-derived fuel. We would use that in most instances. We will use a two-step contract procedure for that project. We will request technical proposals this summer. After we review those, we will select the successful bidders and invite bids from those. We will award a design and construction contract early in fiscal year 1983. We have requested $160 million in authorization this year and $33 million in funding, and the remainder of the funding will be in 1984.

That is just a brief summary of the program, sir. Unless you have some questions on the statement, we are ready to go ahead with anything else you have.

[The prepared statement of Admiral Zobel follows:]

PREPARED STATEMENT OF REAR ADM. W. M. ZOBEL, CEC, U.S. NAVY COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

Chairmen and Members of the committees: I am Rear Admiral W. M. Zobel, commander of the naval facilities engineering command.

I am pleased to have the opportunity to review the Navy's military construction budget with you. Brigadier General Frank E. Petersen, United States Marine Corps, will review the Marine Corps' portion of the budget.

FISCAL YEAR 1983 MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION

This year the Navy and Marine Corps' authorization and appropriation requests, excluding family housing, are $1 billion, 118 million in new authority and $1 billion, 208 million in new obligational authority. For comparison, $1 billion, 240 million was authorized in fiscal year 1982 and $989 million in fiscal year 1981 and $1 billion, 451 million was appropriated in fiscal year 1982 and $775 million in fiscal year 1981. The program is a balanced program designed to provide facilities to meet the operational needs of the fleet, to enhance the quality of life of our personnel, to reduce energy consumption and to improve our industrial capability. We are continuing to maintain a good balance between domestic and overseas construction, with 81 percent of the program being for construction inside the United States.

First, I have some brief comments on special interest topics and then the authorization request is reviewed by major command.

PROGRAMING

The natural question that comes to mind this year is, why is there a reduction in this year's Navy military construction program, when the overall Navy program was increased? Althouggh I discussed the Navy's programing system in detail with you last year, I feel that a review of the system may help in explaining why this situation is not the result of a dichotomy but is the proper and natural end product of the programing system. The military construction budget is established in conjunction with other appropriations such as shipbuilding and conversion, Navy; aircraft procurement, Navy; and weapons procurement, Navy. The budget preservation is preceded by the planning and programing processes which I will briefly review with you.

The planning process identifies the facilities requirements based on missions and tasks assigned to each naval installation. The mission and tasks of a naval installation are defined more precisely by projecting base loadings in terms of personnel, ships, aircraft, and tenants. This projection is translated into facilities requirements to accomplish assigned missions and tasks. As a part of planning, facilities requirements are compared with assets to determine deficiencies or excesses. If we have excesses, we mothball; convert to a use for which a deficiency exists; or dispose of the excess facilities. If a facility deficiency exists, the requirement is validated by Navy's facility planning system and entered into the military construction facilities requirements list. Programing starts at this point and its foundation is annual guidance provided by the Office of the Secretary of Defense setting forth the proposed resources for the Navy for the next five years to accomplish its mission and tasks within national strategy. The Chief of Naval Operations distributes these resources to Navy organizations called resource sponsors, who are basically oriented to major Navy mission responsibilities. The resource sponsor determines, within his resources, how best to accomplish his mission. If you are the air warfare resource sponsor you must make decisions on how much of your program to devote to aircraft, missiles, carriers, repairs, plant maintenance, replenishment spares and new or replacement facilities. If you elect to program resources to military construction to build a new hangar, you have decided to defer some hardware acquisition or maintenance. Each resource sponsor makes similar decisions. The military construction budget level is also impacted by national programs such as pollution abatement and energy. At an annual meeting, fleet and major commanders advise resource sponsors on the most urgent facility requirements. The projects in the military construction budget then reflect the highest priorities of the Navy for a given budget. Because of variables mentioned before, the budget formulation is an iterative process and subject to change. We have a logical system that gives us confidence in the decisions made to request authority and funding for certain projects this year and to defer others to future budgets.

The point I wish to stress is, that within overall budgetary constraints the system provides the proper mix of resources to the various appropriations and that a high percentage of resources to an appropriation in one year does not necessarily mean that percentage will be retained in the subsequent years. As an example, new long lead-time weapons systems authorized this year may require facilities to be programed in fiscal year 1985 to have both the weapons systems and supporting facilities on line at the same time.

CONSTRUCTION CONTRACTING

We are continuing to initiate early project design which has allowed us to advance bidding and construction contract award rates. Fiscal year 1981 was the fourth year in a row that the Navy has placed over 90 percent of the projects under contract within the fiscal year of funding. The 95 percent execution rate experienced in fiscal year 1981 was the Navy's best to date. I consider this a very significant achievement and will continue to initiate early design in order to realize the benefits of reduced construction costs gained by early contract awards. Since our experience indicates that early design starts result in increased design breakage, this effort is being closely managed with the acceptance of some controlled amount of breakage as a necessary expenditure to achieve more significant savings through early construction execution. We also have not closed our eyes to using innovative methods to contract for our facilities. An example of this is the steam plant at the naval shipyard, Norfolk, Virginia, for which our request in fiscal year 1983 is $160 million in authorization and $33 million in appropriations with the remaining appropriation requirement to follow in fiscal year 1984. This modern refuse-derived fuel steam plant with co-generation capabilities will be accomplished using two-step procurement procedures. A request for technical proposals is scheduled to be issued this spring allowing the review of proposals, issuance of an invitation for bids to the successful proposers, and award of the first phase of the design/construction contract early in fiscal year 1983. This approach will afford the Government a timely and fully-coordinated design and construction effort by one contractor.

OFFICE OF NAVAL RESEARCH

We are requesting only one project in the amount of $1.8 million at the Naval Laboratory, Washington, D.C., for an electronics laboratory to allow efficient use of manpower and accommodate security requirements.

CHIEF OF NAVAL OPERATIONS

For those installations under the direct management control of the Chief of Naval Operations, the major construction request is for $181.4 million inside the United States and $800 thousand for minor construction.

For the Naval Academy, Annapolis, Maryland, $16.9 million is requested. Of this total $11.2 million is to rehabilitate facilities for professional courses for use by midshipmen to develop proficiency in combative skills. A vehicular bridge for $2.5 million is requested to replace the deteriorated one connecting the academy areas divided by Dorsey Creek.

We are requesting $148.2 million for the second increment of construction in support of the Trident submarine at the Naval Submarine Support Base, Kings Bay, Georgia. Of this total, $124.7 million will provide roads and utility services to support current and subsequent facility construction, $14.8 million will provide waterfront dredging to support planned waterfront construction for a floating drydock basin, an interconnecting channel and a small craft berthing. Also included in the request is $3.6 million for adequate housing for 206 unaccompanied enlisted personnel, $3.9 million for an enlisted dining facility to serve 1,560 personnel and $750 thousand for acquiring additional land to provide for the Trident II (D–5) missile and to prevent explosive safety arcs from falling on private property.

Two projects for $15.4 million are requested for the Commandant, Naval District, Washington, D.C. to reduce the requirement for leased spaces in the National Capitol region. Of this total, $1.2 million is for relocating public works facilities within the Washington Navy Yard. The space vacated will be converted and expanded to provide office space. The second project for $14.2 million is requested to convert, alter and modernize buildings for administrative space.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

The request for the Commander in Chief, Atlantic Fleet is $52.4 million for major construction inside the United States and $2.8 million for minor construction.

We are requesting $9.3 million for the naval air station. Cecil Field, Florida. An aircraft maintenance facility for $2.5 million will provide a new aviation armament shop and will upgrade an intermediate maintenance shop to support the new F/A–18 weapons system to be introduced in fiscal year 1983. A new unaccompanied enlisted personnel housing project to provide adequate billeting for 588 personnel is also included in this program at a cost of $6.8 million.

Significant fleet projects totalling $12.2 million are requested for the naval station, Charleston, South Carolina. They are a $6.7 million mooring platform project for a floating dry dock to be used by the submarine squadron, and a $4.0 million project to replace a degaussing pier. The present pier was built in 1940 and is structurally unsound.

Projects at the naval station, Mayport, Florida, total $16.4 million for new utilities at the planned LAMPS Mark III helicopter complex and for training facilities needed by flight crews and aircraft maintenance personnel to be assigned to this new weapons system.

We are requesting $5.9 million at the naval submarine base, New London, Groton, Connecticut, for waterfront facilities, including land acquisition at the State Pier complex used by the attack submarine squadron that is based there.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

The request for the Commander in Chief. Pacific Fleet is for $123.1 million for major construction inside the United States and $3.1 million for minor construction.

Four projects for $11.6 million are requested for the Naval Air Station, Lemoore, California. Of this total, $5.6 million will provide training facilities for instructing pilots in the operation of the F/A–18 weapons system, and $3.4 million for constructing an airframes shop to provide an adequate facility for repair and maintenance of tires, wheels, ejection seats and structural members of aircraft.

Three projects for $12.2 million are requested at the naval air station, Moffett Field, California. Of this total, $6.8 million will construct enlisted personnel housing for 396 personnel and $4.9 million will provide an applied instruction building for teaching maintenance of new avionics systems and acoustic processors used on-board the P–3 anti-submarine patrol aircraft.

For the naval air station, North Island, California, $31.3 million is requested. Of this total, $19.0 million will construct a maintenance hangar and apron for the LAMPS Mark III helicopter weapons system, $8.2 million will provide an enlisted personnel housing facility to provide space for 471 men to alleviate overcrowded conditions and $3.8 million for an aircraft intermediate maintenance facility which will provide adequate facilities for calibration and maintenance of electronic and electrical equipment for the LAMPS Mark III helicopter.

Also requested is $27.3 million for the naval station, San Diego, California. Of this total, $24.0 million will provide a floating dry dock mooring to allow emergency docking of ships and $3.3 million for acquiring property to provide the support area needed for development and expansion of ship maintenance and repair facilities.

We are requesting $14.1 million for the shore intermediate maintenance activity, San Diego, California, for an intermediate maintenance facility to provide short-based ship, intermediate-level maintenance support facilities.

Another request for an intermediate maintenance facility to provide shore-based ship intermediate-level maintenance support is at the shore intermediate maintenance activity, Pearl Harbor, Hawaii, in the amount of $7.0 million.

NAVAL EDUCATION AND TRAINING COMMAND

We are requesting $40.5 million for major construction inside the United States for the Naval Education and Training Command and $2.2 million for minor construction.

A project for $5.4 million is requested for applied instruction buildings to provide an electronic training facility at the Fleet Training Center, Norfolk, Virginia.

Of the $5.4 million requested for the naval air station, Pensacola, Florida, $4.0 million will modernize a vacant hospital building to allow a headquarters to vacate unaccompanied enlisted personnel housing they currently occupy.

A project for $8.4 million is requested for an applied instruction building at the naval air station, Memphis, Tennessee.

We are requesting $4.4 million for the Naval Technical Training Center, Pensacola, Florida, to provide an applied instruction building, with an environmentally controlled, physically and electronically secure training area, to facilitate training of personnel in electronic digital devices which encrypt and transmit messages.

BUREAU OF MEDICINE AND SURGERY

For the Bureau of Medicine and Surgery $12.5 million is requested for major construction and $1.7 million for minor construction inside the United States.

The Naval Regional Medical Center, Oakland, California, is requesting $9.7 million for a medical and dental clinic at the Mare Island Naval Shipyard, Vallejo, California.

NAVAL MATERIAL COMMAND

For the Chief of Naval Material, we are requesting $270.2 million in authorization and $241.2 million in appropriations for major construction and $15.3 for minor construction inside the United States.

At the Puget Sound Shipyard, Bremerton, Washington, we are requesting $98.0 million in appropriations for the second phase of the steam plant. Full authorization of $150.0 million and appropriations in the amount of $37.0 million for the first phase were approved in fiscal year 1982.

Projects in the amount of $6.2 million are requested for the Naval Air Rework Facility, Cherry Point, North Carolina. Of this total, $5.5 million will provide for a support equipment shop for liquid oxygen and nitrogen and support equipment overhaul. A materials engineering laboratory is included.

Of the $9.4 requested for the Naval Weapons Center, China Lake, California, $8.7 million is requested to provide consolidated laboratory and office space for interactive graphics and technical documentation support services for weapons such as Sidewinder, Shrike, Harpoon and Tomahawk.

Also requested is $10.8 million for the Naval Surface Weapons Center, Dahlgren, Virginia, for an applied research laboratory to support operational Aegis ship combat systems.

A project for $6.5 million is requested for the Naval Underwater Systems Center, Newport, Rhode Island, which will construct a laboratory facility for the exploration, advanced engineering and operational development of submarine and surface ship weapon launching and handling systems for torpedoes and Tomahawk, Harpoon and ASW stand-off missiles.

Also requested is $160.2 million in authorization and $33.2 million in appropriation for the Norfolk Naval Shipyard, Portsmouth, Virginia. Of this total, $160.0 million in authorization is to construct a refuse derived fuel and coal fired steam plant and $33.0 million in appropriation to fund the long lead time equipment for the plant. The second phase of funding to complete the plant will be requested in fiscal year 1984.

We are requesting $16.0 million for the Navy Public Works Center, Norfolk, Virginia. Of this total, $4.6 million will provide utilities improvements on fleet berthing piers, $9.1 million is for an air emission control project and $2.3 million is for facilities energy improvements.

A significant project for $18.5 million is requested for the Naval Air Rework Facility, North Island, California, to construct a manufacture repair shop for graphite-epoxy composite surfaces of F-18 aircraft. The facility will be the first of this kind in the Department of Defense.

Also requested is $7.8 million for the Naval Ship Weapon Systems Engineering Station, Port Hueneme, California, for a guided missile laboratory.

At the Naval Mine Engineering Facility, Yorktown, Virginia, a project for $3.2 million is requested for a mine engineering laboratory for conducting in-service to fleet units equipped with mines and mine countermeasure systems.

Also requested is $5.7 million for the Naval Surface Weapons Center, White Oak, Maryland. Of this total, $4.0 million provides for a shipboard environmental simulation facility to evaluate weapon security systems for shipboard use.

NAVAL TELECOMMUNICATIONS COMMAND

For the Naval Telecommunications Command, we are requesting 8.1 million for major construction and $950 thousand for minor construction inside the United States.

Four projects in the amount of $7.2 million are requested for the Naval Communication Area Master Station Eastern Pacific, Honolulu, Hawaii. Of this total, $4.5 million will provide a stand-by generator plant to improve the reliability of the electrical power system, and $1.8 million for an addition to a telemetry building to provide adequate facilities to house equipment that will provide a jam-resistant satellite communication capability.

OUTSIDE THE UNITED STATES

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

For the Command in Chief, Atlantic Fleet, we are requesting $10.2 million for major construction and $1.3 million for minor construction outside the United States.

We are requesting $8.8 million for the naval station, Keflavik, Iceland. Of this total, $2.6 million is requested for a fuel facility which will provide the United States share of conjunctively funded fiscal year 1983 MILCON/NATO slice 33 project for the first increment of buried tanks to store pre-positioned jet fuel, and a transfer pipeline connecting tanks to dispensing outlets on the airfield. Also, $4.7 million is for a chapel and religious education building which will contribute to the spiritual well being of personnel and families at this remote base.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

For the Commander in Chief, Pacific Fleet, $131.0 million is requested for major construction and $1.4 million for minor construction outside the United States.

In this request, $10.4 million is for the Naval Air Station, Cubi Point, Republic of the Philippines. Of this total, $4.1 million is requested for a project for enlisted personnel housing which will provide space for 264 personnel, and $5.0 million for jet engine test cells to provide an air-cooled, noise suppressed facility for run-up testing of jet engine operating out of aircraft. It will test engines for the F-14, F-18, F-4 and S-3 aircraft.

A project for $80.6 million is requested for facilities expansion to support a rapid deployment force, marine amphibious brigade and a carrier battle group at the Navy Support Facility, Diego Garcia, Indian Ocean. This is the fourth year of funding requested to support this effort. Additional funding in lesser amounts are expected to be requested in fiscal years 1984 and 1985.

We are requesting $8.3 million for naval activities, Kenya, and $30.0 million for naval activities, Somalia, to provide adequate facilities to support increased United States operations in the Indian Ocean and Persian Gulf areas. This is the third year of funding for these activities and will complete the Navy's planned major construction efforts in Kenya and Somalia.

COMMANDER IN CHIEF, NAVAL FORCES EUROPE

The request for the Commander in Chief, Naval Forces Europe is $35.1 million for major construction outside the United States and $2.4 million for minor construction.

We are requesting $3.2 million for the Fleet Operations Control Center, Europe, London, England, for a consolidated fleet command center to provide the Commander-in-Chief, United States Naval Forces Europe and United States Commander, Eastern Atlantic with improved command and control over assigned forces.

Projects in the total amount of $33.6 million are requested for the Naval Air Station, Sigonella, Italy. Of this total, $15.8 million will construct an unaccompanied enlisted personnel housing facility for 262 personnel. A new enlisted dining facility is included. Replacement of old, unreliable utilities systems completes this year's program at Sigonella.

NAVAL TELECOMMUNICATIONS COMMAND

For the Naval Telecommunications Command we are requesting $5.6 million for three major construction projects outside the United States and $1.1 million for minor.

NAVAL SECURITY GROUP COMMAND

We are requesting for the Naval Security Group Command $9.3 million for construction outside the United States at the Naval Security Group Activity, Edzell, Scotland. Of this total, $3.6 million is requested for an operations building addition for electronic and support equipment and $3.6 million to provide adequate billeting for 70 unaccompanied enlisted personnel.

HOST NATION INFRASTRUCTURE SUPPORT

We are requesting $3.0 million for host nation infrastructure support at various locations. This project will cover non-eligible expenses to support NATO projects for which the United States is the host nation.

POLLUTION ABATEMENT

The Navy's pollution abatement program is oriented to comply with Federal, State and local environmental laws. Since 1968, over $650 million has been authorized and appropriated to correct pollution deficiencies. We have accomplished much in the basic pollution abatement areas such as air emissions, waste water treatment and the elimination of open dumps.

The fiscal year 1983 pollution abatement program request includes seven projects for $24.8 million. There are two oil spill projects, two sewerage system projects, one municipal connection project, one air emission control project and one solid waste disposal system project with requested amounts of $1.4 million, $2.6 million, $9.8 million, $9.1 million and $1.9 million, respectively.

ENERGY CONSERVATION

The energy conservation investment program is the single most important element in our effort to attain a twenty percent reduction in facilities energy use by 1985. Our fiscal year 1983 program investment of $31.3 million will be returned in 4.1 years and the energy conservation features will save approximately 250,000 barrels of oil equivalent (BOE) each year.

This year's program contains:

(1) Ten heating, ventilation and air conditioning projects for $12.9 million with a 4.2 year payback and a 104.000 BOE savings; (2) twelve facility energy improvement projects for $13.3 million with a 3.4 year payback and a 106.000 BOE savings; (3) one energy monitoring and control system project for $520

thousand with a 3.2 year payback and a 9,000 BOE savings; (4) one boiler plant modification project for $550 thousand with a 2.6 year payback and a 4,000 BOE savings; (5) one steam and condensate system project for $1.7 million with a 4.2 year payback and a 8,000 BOE savings; (6) four weatherization projects for $1.2 million with a 6.3 year payback and a 5,000 BOE savings; and (7) four lighting systems projects for $1.1 million with a 4.5 year payback and a 7,000 BOE savings.

From fiscal year 1976 through 1983, the Navy's energy conservation investment program totals $280.8 million and is expected to achieve a savings of over $2.6 million barrels of oil equivalent per year at our shore facilities.

NAVY OCCUPATIONAL SAFETY AND HEALTH PROGRAM

The Navy occupational safety and health (NAVOSH) program is directed toward making the work place safer for Navy personnel and employees. Its major elements are an inspection program, a work place monitoring and personnel health record surveillance program and a deficiency abatement program.

The fiscal year 1983 NAVOSH program will accomplish two ventilation improvement projects, an asbestos/lead handling facility, an electrical system safety improvement project and a breathing air system safety improvements project with requested amounts of $580 thousand, $930 thousand, $430 thousand and $2.2 million respectively.

MINOR CONSTRUCTION

We are requesting $61,068,000 for minor construction. Of this total, $21,000,000 is for exigent construction.

This increase over the $54,920,000 amount approved last year reflects the increase of minor construction ceiling from $500,000 to $1,000,000 as authorized in the fiscal year 1982 military construction authorization bill.

The minor construction program includes $6.2 million for nine family services centers. These centers aid and develop the cohesiveness of our Navy families, thereby providing positive effects on the morale and retention of our Navy personnel.

FAMILY HOUSING

This year the Navy and Marine Corps family housing program is included as a part of the Navy and Marine Corps request instead of being presented as a consolidated Department of Defense program as was the practice in previous years. I will briefly discuss this essential program which contributes significantly to quality of life and retention of our married sailors and marines. The Navy and Marine Corps family housing authorization request for this year is $791 million and the appropriation request is $797 million. This represents a $183 million increase in authorization and a $185 million increase in appropriation from the $608 million authorized and $612 million appropriated in fiscal year 1982. Of the $137 million requested for family housing construction, $83.5 million is to construct and acquire 1,749 units at five locations which are in most critical need of housing, $1 million is for acquisition of land for future family housing construction, and the rest is for post acquisition construction and planning and design. The $660 million requested for family housing support includes funding for operation and maintenance, leasing and debt payment requirements.

The family housing program typifies the identification of the long term cost of facilities management. In developing the program, an optimum mix of new construction; post acquisition construction; operations; maintenance; and leasing requirements is formulated to provide the maximum benefit to the military family. Major contributors to the increase in this year's request in comparison with fiscal year 1982 are in post acquisition construction, where we intend to more aggressively pursue habitability related improvements, and in maintenance, where efforts to reduce the family housing repair backlog are being intensified. Both of these actions will directly improve the quality of life of the occupants of our housing.

SUMMARY

The Navy's fiscal year 1983 military construction budget is structured to achieve an appropriate balance between new mission facility requirements, replacement and modernization requirements of obsolete and inefficient facilities, quality of life objectives, and contribute to the solution of national energy and environmental problems by continuing the Navy's aggressive programs in these areas.

FISCAL YEAR 1983 MILITARY CONSTRUCTION PROGRAM
AUTHORIZATION SUMMARY BY MAJOR COMMAND

(DOLLARS IN THOUSANDS)

Major Command	Budget Request	% of Program	Minor Construction	Pollution Abate.	Energy Conservation	NAVOSH
Inside the United States						
Marine Corps	$166,865	15.0	(4,090)	(0)	(0)	(0)
Office of Naval Research	1,800	.2	(0)	(0)	(0)	(0)
Chief of Naval Operations	181,450	16.2	(800)	(0)	(3,470)	(0)
Commander in Chief, Atlantic Fleet	52,435	4.7	(2,840)	(810)	(180)	(0)
Commander in Chief, Pacific Fleet	123,120	11.0	(3,160)	(2,480)	(1,580)	(0)
Chief of Naval Education & Training	40,550	3.6	(2,230)	(0)	(7,720)	(0)
Bureau of Medicine & Surgery	12,500	1.1	(1,720)	(0)	(360)	(0)
Naval Material Command	270,250	24.2	(15,318)	(21,550)	(13,450)	(4,290)
Naval Telecommunications Command	8,150	.7	(950)	(0)	(0)	(0)
Naval Security Group Command	-	-	(2,610)	(0)	(750)	(0)
Subtotal	$857,120	76.7	(33,718)	(24,840)	(27,510)	(4,290)
Outside the United States						
Marine Corps	3,350	.3	(0)	(0)	(0)	(0)
Commander in Chief, Atlantic Fleet	10,200	.9	(1,320)	(0)	(0)	(0)
Commander in Chief, Pacific Fleet	131,030	11.7	(1,450)	(0)	(1,700)	(0)
Naval Forces Europe	35,150	3.1	(2,410)	(0)	(0)	(0)
Naval Telecommunications Command	5,650	.5	(1,170)	(0)	(0)	(0)
Naval Security Group Command	9,390	.8	(0)	(0)	(0)	(0)
Naval Material Command	2,050	.2	(0)	(0)	(2,050)	(0)
Host Nation Infrastructure Support	3,000	.3	(0)	(0)	(0)	(0)
Subtotal	$199,820	17.8	(6,350)	(0)	(3,750)	(0)
Total	$1,056,940	94.5	(40.068)	(24,840)	(31,260)	(4,290)
Minor Construction	61,068	5.5				
Specified	(40,068)	(3.6)				
Exigent	(21,000)	(1.9)				
GRAND TOTAL	$1,118,008	100.0				

(Note: Major Command totals do not include minor construction. All minor construction is included under the minor construction total at end. Total for minor construction includes pollution abatement, energy conservation and NAVOSH projects. Totals for pollution abatement, energy conservation and NAVOSH include minor construction.)

( ) Non-Add.

FISCAL YEAR 1983 MILITARY CONSTRUCTIC [illegible] GRAM
AUTHORIZATION SUMMARY BY FACILITIES [illegible] IES

(DOLLARS IN THOUSANDS)

Description	Navy	Marine Corps	Total	%of Program	Minor Construction	Pollution Abate.	Energy Conservation	NAVOSH
Operational	112,135	15,100	124,235	11.4	(2,670)	(580)	(0)	(0)
Training	64,800	7,800	72,600	6.5	(2,360)	(0)	(6,600)	(0)
Maintenance & Production	86,920	41,450	128,370	11.5	(6,108)	(0)	(3,110)	(1,170)
RDT&E	42,850	0	42,850	3.8	(1,360)	(0)	(420)	(340)
Supply	14,030	10,200	24,230	2.2	(3,420)	(0)	(990)	(0)
Medical	13,900	0	13,900	1.2	(700)	(0)	(0)	(0)
Administrative	23,630	0	23,630	2.1	(2,080)	(0)	(5,560)	(0)
Housing & Community Facs.	82,990	75,165	158,155	14.1	(12,230)	(0)	(2,820)	(0)
(BHousing)	(70,890)	(75,165)	(146,055)	(13.0)	((2,690))	((0))	((2,820))	((0))
(CSupport)	(12,100)	(0)	(12,100)	(1.1)	((9,540))	((0))	((0))	((0))
Utilities	441,420	20,500	461.920	41.3	(9,140)	(24,260)	(11,760)	(2,780)
Real Estate	4,050	0	4,050	.4	(0)	(0)	(0)	(0)
Total	886,725	170,215	1,056,940	94.5	(40,068)	(24,840)	(31,260)	(4,290)
Minor Construction			61,068	5.5				
Specified			(40,068)	(3.6)				
Exigent			(21,000)	(1.9)				
Total and New Obligational			1,118,008	100.0				

(Note: Facility category totals do not include minor construction. All minor construction is included under the minor construction total at the end. Total for minor construction includes pollution abatement, energy conservation and NAVOSH projects. Totals for pollution abatement, energy conservation and NAVOSH include minor construction.)

FISCAL YEAR 1983 MILITARY CONSTRUCTION PROGRAM
APPROPRIATION SUMMARY BY MAJOR COMMAND

(DOLLARS IN THOUSANDS)

Major Command	Budget Request	% of Program	Minor Construction	Pollution Abate.	Energy Conservation	NAVOSH
Inside the United States						
Marine Corps	$166,865	13.8	(4,090)	(0)	(0)	(0)
Office of Naval Research	1,800	.2	(0)	(0)	(0)	(0)
Chief of Naval Operations	181,450	15.0	(800)	(0)	(3,470)	(0)
Commander in Chief, Atlantic Fleet	52,435	4.4	(2,840)	(810)	(180)	(0)
Commander in Chief, Pacific Fleet	123,120	10.2	(3,160)	(2,480)	(1,580)	(0)
Chief of Naval Education & Training	40,550	3.4	(2,230)	(0)	(7,720)	(0)
Bureau of Medicine & Surgery	12,500	1.0	(1,720)	(0)	(360)	(0)
Naval Material Command	241,250	19.9	(15,318)	(21,550)	(13,450)	(4,290)
Naval Telecommunications Command	8,150	.7	(950)	(0)	(0)	(0)
Naval Security Group Command	-	-	(2,610)	(0)	(750)	(0)
Subtotal	$828,120	68.6	(33,718)	(24,840)	(27,510)	(4,290)
Outside the United States						
Marine Corps	3,350	.3	(0)	(0)	(0)	(0)
Commander in Chief, Atlantic Fleet	10,200	.9	(1,320)	(0)	(0)	(0)
Commander in Chief, Pacific Fleet	131,030	10.8	(1,450)	(0)	(1,700)	(0)
Naval Forces Europe	35,150	2.9	(2,410)	(0)	(0)	(0)
Naval Telecommunications Command	5,650	.5	(1,170)	(0)	(0)	(0)
Naval Security Group Command	9,390	.8	(0)	(0)	(0)	(0)
Naval Material Command	2,050	.2	(0)	(0)	(2,050)	(0)
Host Nation Infrastructure Support	3,000	.2	(0)	(0)	(0)	(0)
Subtotal	$199,820	16.6	(6,350)	(0)	(3,750)	(0)
Total	$1,027,940	85.2	(40.068)	(24,840)	(31,260)	(4,290)
Minor Construction	61,068	5.0				
Specified	(40,068)	(3.3)				
Exigent	(21,000)	(1.7)				
Continuing Authority	119,292	9.8				
Planning and Design	(111,792)	(9.2)				
Access Roads	(7,500)	(.6)				
GRAND TOTAL	$1,208,300	100.0				

(Note: Major Command totals do not include minor construction. All minor construction is included under the minor construction total at end. Total for minor construction includes pollution abatement, energy conservation and NAVOSH projects. Totals for pollution abatement, energy conservation and NAVOSH include minor construction.)

( ) Non-Add.

FISCAL YEAR 1983 MILITARY CONSTRUCTION PROGRAM APPROPRIATION SUMMARY BY FACILITIES CATEGORIES

(DOLLARS IN THOUSANDS)

Description	Navy	Marine Corps	Total	%of Program	Minor Constr-uction	Pollu-tion Abate.	Energy Conser-vation	NAVOSH
Operational	112,135	15,100	124,235	10.5	(2,670)	(580)	(0)	(0)
Training	64,800	7,800	72,600	6.0	(2,360)	(0)	(6,600)	(0)
Maintenance & Production	86,920	41,450	128,370	10.7	(6,108)	(0)	(3,110)	(1,170)
RDT&E	42,850	0	42.850	3.5	(1,360)	(0)	(420)	(340)
Supply	14,030	10,200	24,230	2.0	(3,420)	(0)	(990)	(0)
Medical	13,900	0	13,900	1.2	(700)	(0)	(0)	(0)
Administrative	23,630	0	23,630	2.0	(2,080)	(0)	(5,560)	(0)
Housing & Community Facs.	82,990	75,165	158,155	13.1	(12,230)	(0)	(2,820)	(0)
(BHousing)	(70,890)	(75,165)	(146,055)	(12.1)	((2,690))	((0))	((2,820))	((0))
(CSupport)	(12,100)	(0)	(12,100)	(1.0)	((9,540))	((0))	((0))	((0))
Utilities	412,420	20,500	432,920	35.9	(9,140)	(24,260)	(11,760)	(2,780)
Real Estate	4,050	0	4,050	.3	(0)	(0)	(0)	(0)
Total	857,725	170,215	1,027,940	(85.2)	(40,068)	(24,840)	(31,260)	(4,290)

Minor Construction	61,068	5.0
Specified	(40,068)	(3.3)
Exigent	(21,000)	(1.7)
Continuing Authority	119,292	9.8
Planning & Design	(111,792)	(9.2)
Access Roads	(7,500)	(.6)
Total and New Obligational	1,208,300	100.0

(Note: Facility category totals do not include minor construction. All minor construction is included under the minor construction total at the end. Total for minor construction includes pollution abatement, energy conservation and NAVOSH projects. Totals for pollution abatement, energy conservation and NAVOSH include minor construction.)

Senator LAXALT. Thank you very much. Does anybody else wish to be heard at this time, or shall we just proceed with the question?

I understand that General Petersen and Admiral Daniels both have statements. Proceed as you wish, gentlemen.

STATEMENT OF BRIG. GEN. F. E. PETERSEN, U.S. MARINE CORPS, DIRECTOR, FACILITIES AND SERVICES DIVISION, INSTALLATIONS AND LOGISTICS DEPARTMENT, HEADQUARTERS, U.S. MARINE CORPS

General PETERSEN. Thank you very much, Mr. Chairman. I am happy to have the opportunity to present the Marine Corps fiscal year 1983 military construction program.

This year, the Marine Corps authorization and appropriation request is $174 million. For comparison purposes, the fiscal year 1982 appropriation was $125 million.

With your approval, sir, I will provide my full statement for the record and just give you highlights.

Senator LAXALT. So ordered.

General PETERSEN. As in the past, the Marine Corps has continued to stress the quality-of-life projects in support of the individual marine. This is evidenced by our request for $77.5 million for projects to provide adequate living, dining, and recreational facilities.

We are also requesting $24 million for the construction of operational and training facilities. We are requesting $41.5 million for 13 projects to provide new maintenance facilities. This year's program also includes a request for $11 million for 4 projects to provide adequate storage facilities, and $70.2 million to provide living spaces for 3,747 unaccompanied enlisted marines and 5 officers. This represents over 40 percent of the total Marine Corps request.

We are requesting authorization and appropriations for four projects at four Marine Corps activities for the construction or improvement of six dining facilities and an addition to an existing gymnasium. The total request in these categories is $7.2 million.

Mr. Chairman, this concludes my short overview of the fiscal year 1983 Marine Corps military construction request. I will be happy to answer any questions that you might have, sir.

[The prepared statement of Gen. F. E. Petersen follows:]

PREPARED STATEMENT OF BRIGADIER GENERAL F. E. PETERSEN, DIRECTOR, FACILITIES AND SERVICES DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF (INSTALLATIONS AND LOGISTICS) U.S. MARINE CORPS

Mr. Chairman, and members of the committee, I am happy to have the opportunity to present the Marine Corps fiscal year 1983 military construction program.

This year, the Marine Corps appropriation request is $174,305,000. For comparison, the fiscal year 1982 appropriation was $125 million. We continue to increase our funding of military construction programs; however, we still have a long way to go before the Marine Corps construction backlog will be satisfied.

The past support this committee has given to our appropriation requests is appreciated by all marines. We earnestly solicit your continued support.

As in the past, the Marine Corps continues to stress quality of life projects in support of the individual marine, as evidenced by our request for $77.5 million for projects to provide adequate living, dining and recreational facilities. However, in recognition of the fact that the marine spends more waking hours in his workplace than in his living quarters, we are increasing our emphasis on the replacement of antiquated operational, training and maintenance facilities.

We are requesting $23.9 million for the construction of operational and training facilities at seven Marine Corps activities. These projects which are predominately in support of readiness will provide facilities such as operational flight and maintenance training buildings; a radar operational facility; armories; a training building and small arms range; a telephone exchange, as well as aircraft parking aprons and aircraft rinse facilities.

$41.5 million is requested for thirteen projects at six Marine Corps activities to provide new maintenance facilities, again, predominately in support of readiness. Six of the projects will support the introduction of the AV 8–B aircraft at the Marine Corps Air Station at Cherry Point, North Carolina.

This year's program includes a request for a total of $11 million for four projects at four Marine Corps activities to provide adequate storage facilities.

In the category of unaccompanied personnel housing, this year's request continues to reflect the commandant's policy of providing maximum adequate living spaces within available financial resources. $70.2 million is requested in fiscal year 1983 to provide living spaces for 3,747 unaccompanied enlisted marines and five officers. This represents over 40 percent of the total Marine Corps request.

A project of special interest in this category will provide an unaccompanied enlisted personnel housing, unaccompanied officer personnel housing, and administrative space at the Mountain Warfare Training Center, Pickel Meadows, at Bridgeport, California. The center is located in the Toiyabe National Forest of the eastern slope of the Sierra Nevada Mountains, 100 miles south of Reno, Nevada. This complex provides cold weather and mountain warfare training that is vital to the Marine Corps readiness. This request is the first of several planned over the next few years to replace the grossly inadequate existing facilities at this important Marine Corps training asset.

We are requesting appropriations for four projects at four Marine Corps activities for the construction or improvement of six dining facilities and an addition to an existing gymnasium. The total request in these categories is $7.24 million. And finally, we are requesting $20.5 million for steam plant modifications which will provide for coal conversion at the Marine Corps Development and Education Command at Quantico, Virginia. This project is of special interest to the Marine Corps. The project would enable Quantico to burn low cost, more abundant coal and meet Virginia State pollution requirements. This project will replace approximately 115,000 barrels of oil and save nearly $2.8 million annually.

Mr. Chairman, this concludes the overview of the fiscal year 1983 Marine Corps military construction request. I will be happy to answer any of the committee's questions.

NAVAL RESERVE

STATEMENT OF REAR ADM. W. D. DANIELS, U.S. NAVAL RESERVE, DEPUTY CHIEF OF NAVAL RESERVE

Admiral Daniels. I too would just briefly summarize, Mr. Chairman.

Again, in 1981 we enjoyed full manning of the Naval-Marine Corps Reserve. A major effort is now under way to achieve the increase in strength to 94,000, funded by the Congress, for fiscal year 1982.

To support and train these Reserve personnel for mobilization we are making maximum use of our existing facilities. Unfortunately, our physical plant is getting tired and worn out. Many of our structures were built during the forties and early fifties. Four of our six naval air stations were constructed during World War II and show signs of block obsolescence. Our typical center is also a 1940-type structure of two or three Quonset huts connected by a head-house structure.

In total, approximately 41 percent of our facilities are substandard or have deteriorated beyond economical rehabilitation, maintenance, and repair.

With the Naval and Marine Corps Reserve continuing to receive newer equipment and new challenges and missions, our facilities requirements have increased. It is in this setting that we submit the military construction Naval Reserve program for fiscal year 1983.

The objective of our military construction program in concert with our facilities maintenance and repair program is to provide adequate operational, training, administrative, and personnel support facilities to properly train our Reserve personnel for mobilization readiness.

The Naval and Marine Corps Reserve military construction appropriation request totals $25.2 million. This includes an authorization and appropriation of $21.9 million for major projects and appropriation of $500,000 for minor construction projects costing less than $175,000 each; and an appropriation of $2.8 million for project planning and design.

Several factors have had a negative impact on the military construction program. In the recent past, we have experienced problems maintaining accurate project estimates; received high bids, although the bidding climate certainly has improved this year. We have had minor construction projects escalate to major ones and, until recently, we have been impacted by inflation.

Cost escalations experienced in the execution of the fiscal year 1981 and prior programs, and cost anticipated for fiscal year 1982 programs, are expected to produce a $3.6 million funding shortfall.

To help offset this shortfall and allow us to resolve siting and design difficulties, you will again be reviewing the project for a new aircraft maintenance hangar at the Naval Air Station at Dallas, Tex.

As you know, sir, the Naval and Marine Corps Reserves share a common construction program. Because of the savings involved we are also endeavoring to improve our opportunities for joint construction with our Guard and Reserve counterparts, as well as consolidations. It is expected that in fiscal year 1984, over half of our Naval and Marine Corps Reserve construction dollars for that year will be devoted to joint construction and consolidation projects.

The backlog of construction deficiencies for the Naval and Marine Corps Reserve facilities totals $471 million, compared with $270 million reported last year. Last year, as you recall, we testified that our backlog was underestimated.

This past year a major undertaking to accurately identify the backlog was initiated. The major emphasis was on surface Reserve centers where we instituted a whole center repair program. Those temporary centers in the worst condition are receiving priority considerations for replacement.

The projects contained in our program will contribute substantially to the improved readiness and responsiveness of the Naval and Marine Corps Reserve. We appreciate the past support of the committee and earnestly seek your approval of the required projects that comprise our program.

This concludes my statement, Mr. Chairman.

[The prepared statement of Adm. W. D. Daniels follows:]

PREPARED STATEMENT OF REAR ADM. W. D. DANIELS, U.S. NAVAL RESERVE, DEPUTY CHIEF OF NAVAL RESERVE

Mr. Chairman and Members of the Committee: It is a pleasure to appear before this Committee and to present the Military Construction requirements of the Naval and Marine Corps Reserve.

Again in 1981 we enjoyed full manning and maintained our Selected Reserve strength within one half a percent of our authorized level of 87,000. In 1982 a major effort is now underway to achieve the significant increase in strength to 94,000 funded by Congress for fiscal year 1982. While a growth of 7,000 by the end of this fiscal year will be a most difficult task we will utilize all of our assets to achieve this goal. To support and train these Reserve personnel for mobilization, we are making maximum use of our existing facilities. Unfortunately, our physical plant is tired and worn out. Many of our structures were built during the 40's and early 50's. Four of our six Naval Air Stations were constructed during World War II and show signs of block obsolescence. Our typical center is also a 1940's structure of two or three quonset huts connected by a headhouse structure. In total, 96 of 237 facilities or 41 percent are substandard and have deteriorated beyond economic rehabilitation, maintenance and repair.

With the Naval and Marine Corps Reserve continuing to receive newer equipment and new challenges and missions, our facility requirements have increased. It is in this setting that we submit the Military Construction, Naval Reserve Program for fiscal year 1983.

The objective of our Military Construction program, in concert with our Facilities Maintenance and Repair Program, is to provide adequate operational, training, administrative and personnel support facilities to properly train our Reserve personnel to be "Mobilization Ready." Our top priority is to improve the readiness posture.

The Naval and Marine Corps Reserve, Military Construction Request totals $25.2 million. This total is comprised of three parts. First, an authorization and appropriation is requested for major projects totalling $21.9 million, including $500,000 for the Energy Conservation Investment Program. Second, a $500,000 appropriation is requested to fund minor construction projects costing less than $175,000 each. Third, a $2.8 million appropriation is requested for projects planning and design.

The Naval and Marine Corps Air Reserve portion of our Fiscal Year 1983 Program includes: (a) two aircraft maintenance hangars to eliminate hangar space deficiencies at two Naval Air Stations, (b) an avionics facility upgrade to enable proper climate control and safer personnel environment, (c) a jet engine test cell to suppress noise associated with the testing of jet engines during out of aircraft operation (d) a project which provides a water connection to a water distribution system which supplies the station with water that meets state and federal primary drinking standards (e) a storage warehouse which replaces a substandard and inadequate facility which logistically supports a Marine Air Group.

The projects for the Naval Surface and Marine Corps Ground Reserve forces include: (a) one project which provides an addition to a Naval and Marine Corps Reserve training building with a structure that is properly configured and equipped to accommodate training that is applicable to modern Naval and Marine Corps operations and (b) three Combat Vehicle Maintenance facilities which replace substandard and inadequate structures where maintenance and repairs on wheeled and tracked equipment is performed.

Several factors have had a negative impact on the Military Construction program resulting in the reduction of the buying power of our construction dollar. In the recent past we have experienced problems maintaining accurate project estimates; received high bids, although the bidding climate has improved this past year; had minor construction projects escalate to major projects and until recently had been impacted by inflation. Construction cost escalations experienced in the execution of the Fiscal Year 1981 and prior programs, and those anticipated for the Fiscal Year 1982 program are expected to produce about a $3.6 million funding shortfall.

To help offset this funding shortfall and to allow us to resolve siting and design difficulties, you will again this year be reviewing the project for a new Aircraft

Maintenance Hangar at Naval Air Station, Dallas, Texas. While I do not desire to resubmit projects, I feel this action is prudent. As background, last year we reported a funding shortfall of $6.0 million and resubmitted one project to offset this deficit. While we have not totally eliminated the shortfall we have reduced it and are heading in the right direction. The specific project at Dallas is presently under design and has been delayed due to a site reevaluation, with a resulting building reconfiguration, as a result of aircraft parking constraints in the construction of the new hangar. In addition, as the design proceeded the costs increased significantly, $2.6 million to $3.9 million. From an execution point of view, it is unlikely it can be contracted in FY 1982.

As you know, the Naval and Marine Corps Reserve share a common construction program. Because of the savings involved, we are endeavoring to improve our opportunities for joint construction with our Guard and Reserve counterparts. Eight projects have been identified for potential joint construction or consolidation within the Five Year Defense Plan. In Fiscal Year 1984, it is expected that over half of our Naval and Marine Corps Reserve construction dollars will be devoted to joint construction projects with other Guard and Reserve forces or consolidation of Naval and Marine Corps Activities. The entire Guard and Reserve Construction Programming community has placed more emphasis on joint intermediate and long range planning to more effectively use existing and new facilities.

Currently, the backlog of required construction for the Naval and Marine Corps Reserve is about $471 million compared with $270 million reported last year. This backlog represents necessary construction to support new equipment and to replace deteriorated and inadequate facilities. Last year as you recall we testified that our backlog was understated. This past year a major undertaking to accurately identify the backlog was initiated and is still continuing. The major emphasis was on our Surface Reserve Centers where we have instituted a whole center repair program. Those temporary centers in the worst condition are receiving priority consideration for replacement in our Military Construction program while those permanent centers in the worst condition are receiving priority attention in our Facilities Maintenance and Repair program.

The justification data books which have been furnished contain detailed project descriptions and supporting information. All proposed projects will improve training, operational, maintenance or personnel support facilities actively utilized by the Naval and Marine Corps Reserve. The projects contained in our program will contribute substantially to the improved readiness and responsiveness of the Naval and Marine Corps Reserve. We appreciate the past support of this committee and earnestly seek your approval of the required projects that comprise this program.

Senator LAXALT. Thank you, Admiral Daniels.

Senator Mattingly, do you have any comments, and then we will proceed with questioning of the panel.

Senator MATTINGLY. No comments at this time, I will have some questions.

NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, KINGSLAND, GA.

Senator LAXALT. Go ahead.

Senator MATTINGLY. I have some questions with reference to Kings Bay. I notice that they have had $148 million in request under the funding for the Trident base at Kings Bay.

Could you give a brief review for the committee of the total project at Kings Bay and how much it would cost, and if you have a timetable when it will be needed?

Admiral ZOBEL. Yes, sir. I think I can start by saying that we have in fiscal year 1982 a total of $89.8 million, including defense access roads and family housing as well as major construction, which is the start of that program.

As you have indicated, in 1983 we have major construction of $148 million. Defense access roads add another $6.6 million for a total of $154.9 million.

We expect that by the end of the entire program for Kings Bay it will be approximately $1.8 billion, sir. The initial operating capability for the Trident II missile, or the D–5 missile, is still scheduled for 1989. As a result, our facilities must come on line in order to give them time at Kings Bay for the installation and checkout of equipment, slow run-through operations, and the training of personnel to meet that IOC. So, the facilities will come on line over those years in order to meet that deadline.

Senator MATTINGLY. Has there been any consideration for using the base to decrease the steaming time for, say, some submarines that are going to be based, probably, on the west coast, utilization of the base prior to that with a split basing concept possibly, or not?

Admiral ZOBEL. As far as utilization of the submarines and how they are deployed, I hesitate to say anything on that because I have Adm. Stan Catola, the Navy's Trident project manager with me. He can certainly speak to that, sir, if you would like.

This is Rear Adm. S. G. Catola, U.S. Navy, project manager, Trident System Project Office, Office of the Chief of Naval Material.

Admiral CATOLA. Senator, there has not to my knowledge been any consideration of using the base for anything except for the current Trident backfit squadron that is based there at this time, and for the Trident submarines equipped with Trident II missiles.

Senator MATTINGLY. Would the timetable fit correctly, the 1989?

Admiral CATOLA. The date that we are working for is 1989.

Senator MATTINGLY. And it could not be utilized for a split-basing concept prior to that; would that be true?

Admiral CATOLA. All of our plans are to put the Trident submarines initially equipped with D–5 missiles into Kings Bay and not to split them out until some time in the 1990's.

Senator MATTINGLY. Nobody has really approached that point yet. I think Sam Nunn and I brought it up last year and I am just trying to pick around and see if anybody would ever drop off there on the way to the west coast.

Let me ask you, it had been reported there had been some disagreement with the Secretary of Housing and Urban Development as to the need to construct new Navy housing at Kings Bay.

Could you summarize that situation and provide any details with any documentation you have?

Admiral ZOBEL. Yes, sir. I can summarize that, and we could perhaps provide a more complete statement later. Housing and Urban Development considered that existing and planned housing for the Kings Bay area would be adequate until 1985. Most of that planned housing is HUD assisted and most Navy personnel do not qualify for that HUD housing. Therefore, our assessment has been that the supply of housing in that area will be inadequate.

The Armed Services Committees were notified of our disagreement with HUD's evaluation back in March of this year. The 30-day notification period has elapsed and we now plan a bid opening for our housing, which has been approved by the Congress, for May 13 of this year.

It is strictly a disagreement in forecasting the amount of housing that is going to be available in that area and whether or not it will meet our needs. We are very much afraid that we will have people there that will be inadequately housed. That is why we think this minimum amount of housing is certainly necessary.

Senator MATTINGLY. Thank you very much.

Those are all the questions I have, Mr. Chairman.

NAVAL AIR STATION, FALLON, NEV.

Senator LAXALT. Thank you, Senator.

I would like to begin my questions with a rather parochial interest—you cannot be a statesman all the time around here—this is concerning the Fallon Naval Air Station.

Last year we had two projects and they were added to the Senate authorization bill. We lost one during the course of the conference. The project was for an ordnance handling pad to support the introduction of the FAA team at Fallon. It is my understanding this project could be accomplished during fiscal year 1983 and if constructed with the parking apron addition funded last year, there could be some cost savings.

Would you comment on this and also explain why this project was not included as part of the fiscal year 1983 request?

Admiral ZOBEL. Yes, sir.

Senator LAXALT. Admiral Zobel, do you want to handle that?

Admiral ZOBEL. Yes, sir. As you know, the project is for the safe loading of live ordnance onto aircraft. That ordnance handling is now done on a parking apron at hangar 300, which poses a hazard to personnel, buildings, and aircraft. We have to have a waiver for it.

It was estimated at $15.7 million for the fiscal year 1983 program. It was an unsuccessful candidate. Plans and specifications are underway and it is sized to accommodate our stepped-up flight operations.

Senator LAXALT. Very well, that is good news, Admiral.

I understand that Fallon is being considered as a site for a program using geothermal energy. Would someone please explain this program to the committee?

Admiral ZOBEL. Yes, sir. I think I can in rather brief terms. We have had a start already at China Lake. We have selected a contractor who has successfully drilled some wells at the China Lake site and has effectively proven out the resource that exists at China Lake.

We would intend to do much the same thing at Fallon, that is, have a private contractor using private capital, as a matter of fact, come in and prove out the resource and then develop it. The Navy would then benefit from the production of electrical power which would be provided by the contractor.

We would receive an electrical rate we hope, depending on the contract negotiations as we did at China Lake, that would be beneficial to the Navy for having developed that. But our primary purpose, as I am sure you are aware, is to protect those ranges that we have both at China Lake and at Fallon. The Navy would have control over that development so that we could insure that it was well integrated with the range requirements and that we would not have an interference situation.

Senator Laxalt. I appreciate that, Admiral. And I commend, also, all of you for moving into that area and examining our geothermal potential. We seem to think—and I think with some justification—that we have a great deal of potential there in that whole western part of Nevada.

So, I hope this all goes well and we will work along with you on it.

Admiral Zobel. We do too, sir. Thank you.

Senator Laxalt. Now, Admiral, for the record, will you please provide the committee with the unprogramed projects for Fallon which you would consider a part of your backlog.

Admiral Zobel. Yes, sir, we will do that for the record.

Senator Laxalt. Are they available just for the record?

Admiral Zobel. Yes, sir.

Senator Laxalt. We do not have to have them in detail, but if you could simply make them available.

Admiral Zobel. We will be happy to do that for the record.

[The information follows:]

NAVAL AIR STATION, FALLON, NEV.

Answer. Backlog of MCON Project:

Fiscal year	Project	Cost (thousands)
1984	Airfield pavements	$16,400
1986	Fire/crash rescue station	1,250
1987	UEPH (2 projects)	7,000
UP	Runway improvements	9,200
UP	Aircraft fueling station	3,150
UP	Explosive area improvements	2,050
UP	UEPH	4,100
UP	UOPH	8,700
UP	UOPH modernization	2,200
UP	Water treatment system	700

Senator Laxalt. Thank you very much. Admiral.

Now, I understand that your fiscal 1983 request for barracks spaces is only 50 percent of what you requested in fiscal 1982. I wonder, Admiral, if you could comment on this reduction.

Admiral Zobel. Yes, sir. I think it is primarily one of having put together a program in a balanced fashion. There was a requirement within the Navy for a number of programs. When you balance all those out, you simply come out with a certain amount for unaccompanied personnel housing.

As I indicated in my opening remarks, the Navy has a situation where our sailors uniquely live on board their weapon systems. So, obviously we do have a balance there in our quality of life. It is a program that has been strongly backed by the Chief of Naval Operations to provide proper housing for our sailors, and he, I am sure, intends to continue that backing. Certainly, Admiral Watkins who has been our Commander in Chief, Pacific Fleet, and is coming back as the new CNO knows the need of the sailors out there. I am sure he will also strongly back that program in the future.

Senator Laxalt. Does the Navy have a substantial backlog in the area of unaccompanied personnel housing?

Admiral Zobel. Yes, sir, we do.

Senator Laxalt. Could you provide the details in connection with that, or could we cause that also to be filed into the record rather than testifying to it here?

Admiral Zobel. Yes, sir, we will be happy to do that.

Senator Laxalt. Very well.

Admiral Zobel. It is quite detailed and so it probably would be the best way to proceed.

[The information follows:]

NAVY UNACCOMPANIED PERSONNEL HOUSING BACKLOG

TOTAL PROGRAMING DEFICIT (POST FISCAL YEAR 1982)

	Spaces (personnel)			Total cost (millions)
	Enlisted	Officer	Total	
New	26,323	5,155	31,478	$860.6
Modn	26,457	2,725	29,182	620.0
Total	52,780	7,880	60,660	1,480.6
Use			61,000	

Senator Laxalt. All right. Then very generally Admiral, what plan do you have for bringing your dormitories up to the Defense standard?

Admiral Zobel. We have a program that goes from 1984 through 1987 that would average somewhere between $100 and $200 million a year—let me say roughly $160 million a year—that we hope will continue to reduce that backlog.

FAMILY SERVICES CENTER

Senator Laxalt. Now, your request for this year includes 10 Family Service Centers at a cost of $8 million. What is the status of this program from last year and what should we expect in future years for the Family Service Centers?

Admiral Zobel. As indicated last year, this is one part of the quality-of-life program that we feel very strongly about.

Senator Laxalt. For the purpose of the record, maybe before we get into any detail, can you describe generally for the other members of the committee what the concept is?

Admiral Zobel. Yes, sir. The concept is to insure that military personnel and their families have one point on our bases where they can go to get help for any problem or any situation that may arise.

We frequently find that our younger sailors, and particularly their younger wives or family members who have a problem, are not sure just how to solve that problem. It may require help from a chaplain; it may require help from legal services; it may be an alcohol problem; it could be one with schooling or a medical problem. Often they are in a new location. Sometimes the service member himself is deployed on board ship and we have, as you recognize, quite a situation there. As a result, dependents and those younger members can go to one place and receive some expert attention and help at that Family Services Center from a counselor who will help them get the problem solved.

We do not intend to relocate everybody on the base. In other words, we are not going to bring all the lawyers into these Family Services Centers or all the chaplains or the Red Cross, or the Navy Relief; but these individuals can analyze these problems and make sure that they get proper attention. It is "one-stop" shopping, in effect, for problems.

We have found that where we have already initiated this program it has paid great dividends. The service personnel like it and we think it is a strong retention point for our Navy people.

Senator LAXALT. How long have we been into the program now, Admiral?

Admiral ZOBEL. In 1981 we had a total of eight Family Service Centers, but we had no military construction.

Senator LAXALT. Are these all within the country?

Admiral ZOBEL. Yes, sir. If you include Hawaii, they are all within the States.

We had eight, though, in 1981. We had 14 in 1982, 9 of those were existing, 3 were military construction projects that modified existing spaces, and 2 were approved for building new.

In 1983 we have 13 scheduled, that is a combination of using existing and building new. In 1984 we have 22 scheduled; in 1985, 4. So, we will have a total of 61 that will be spread through our activities over the years.

Senator LAXALT. We are well into it, then.

Admiral ZOBEL. Yes, sir.

Senator LAXALT. It is a program that is working well, also.

Admiral ZOBEL. It is working extremely well and we have had nothing but real favorable comments coming back from our individual commanding officers on how well it is working.

Senator LAXALT. Very well. Now, as all of you know, this committee has taken a special interest in recent years with regard to the Naval Academy Hospital. Will one of you please tell me—tell the committee—what the status of the study concerning the medical facilities at the academy is?

Admiral ZOBEL. I think the best answer I can give you on that, sir, is that it is still currently under study at the secretarial level. There has been a study by the Surgeon General. They have looked at the various aspects. There are a number of pluses and minuses, but it has now been forwarded up to the Secretary of the Navy for review.

Senator LAXALT. Do you have any feeling as to the prospects on feasibility, one way or the other yet, or is it too early?

Admiral ZOBEL. I think it is too early for me to say, sir. I certainly would not want to preempt the decision of the Secretary.

Senator LAXALT. Senator, as we move along if you have any followup questions on any of the subjects, feel free.

Senator MATTINGLY. I will get to it.

Senator LAXALT. All right.

Now, General Petersen, perhaps I could ask you some questions in connection with the Marine Corps.

General PETERSEN. Yes, sir.

Senator LAXALT. I understand that some 40 percent of your request is for adequate living facilities for your unaccompanied personnel.

General PETERSEN. Yes, sir.

Senator **Laxalt**. This represents a sizable portion of your request. Could you explain why such a large amount of your limited resources goes to this one area?

General **Petersen**. Yes, sir. The Marine Corps had such a large backlog of adequate housing for our enlisted personnel that it was the decision of the Commandant of the Marine Corps to start concentrating on reducing that backlog.

As such, the majority of our funds over the past several years has gone toward modernizing the barracks and bringing them up to a suitable living standard.

It is the Commandant's desire to accomplish this program as rapidly as possible. With our present funding levels, it now appears that we will complete the program in 9 to 10 years.

Senator **Laxalt**. Generally, what does this modernization amount to, are we talking about World War II-types of barracks?

General **Petersen**. In some instances, yes, sir. In others we have perhaps brick structures that are squad-bay open barracks which now have to be modified in the interior to accommodate rooms.

We are now moving toward a motel-style dwelling for these individuals as opposed to the open squad-bay barracks.

Senator **Laxalt**. I missed a portion of that when Senator Cannon came in.

General **Petersen**. I am sorry, sir.

Senator **Laxalt**. Incidentally, for the purposes of the record and otherwise, I am pleased to announce that Senator Cannon is my senior colleague from Nevada, of course. He is a member of the Armed Services Committee and will be here for the remainder of the hearing, I guess.

Go ahead, General. I was asking, Senator, what the modernization of the living quarters for unaccompanied personnel is. The general is in the process of describing what that modernization program is about.

Perhaps, if you would not mind, you could repeat that for us.

General **Petersen**. Not at all, sir.

Historically the Marine Corps enlisted barracks have been the open squad-bay-type where 50 or 60 troops could be housed in 1 large room.

What we have moved toward is to do away with this type of dwelling. In some instances they are old wooden barracks of the World War II era, or other types of buildings that have been built subsequent to World War II.

But at any rate, to modernize these dwellings we have had new buildings constructed or we have gone into the interior in some of the more sturdy buildings and converted these dwellings into a motel-style of living space.

We convert the space into rooms about 20 by 20 feet which can house three or four junior enlisted marines, and if you are housing some of the more senior enlisted, perhaps one or two to a room.

The troops like it. It is much preferable to the conditions they were required to live in prior to this.

Senator **Laxalt**. Very well, thank you.

Senator Cannon, if you would like we would be pleased to ask any questions you may have. I know you are loaded this morning with hearings that are scheduled as well.

Senator CANNON. I have a few that go to some others on the panel, if that would be in order at this time.

Senator LAXALT. I think it would be perfectly all right.

WASHINGTON NAVY YARD, WASHINGTON, D.C.

Senator CANNON. Let me ask about the Navy Yard. Have you gone into the relocation of the 18,000 workers from leased space in the Washington, D.C., area into the renovated space in the Navy Yard; has that been covered?

Admiral ZOBEL. No, sir, we have not talked on that yet. We have Mr. Chapman Cox here who is the Deputy Assistant Secretary of the Navy for Logistics. He would be glad to talk to you on that, if you have some questions on it, sir.

Senator CANNON. I think it might be well to let the committee know something about it. I am concerned every time I hear about a proposal to move people into the Washington area. We have been going through this exercise for many, many years and, as you know, the committee has previously taken action that we did not want, for example, to go to Bolling and build a new barracks and so on, to house a lot of people here. We felt we would rather get them out into the country.

I wonder if we could just have some kind of a comment as to what your plans are and some rationale.

Admiral ZOBEL. Yes, sir. I will ask Mr. Cox to do that for you.

This is Chapman Cox, Deputy Assistant Secretary of the Navy for Logistics.

Mr. COX. Sir, I can answer the question either specifically related to the Navy Yard projects that are in this year's budget and authorization request, or with respect to the total plan. I will be glad to proceed however you wish.

Senator CANNON. Why not just address the total plan first, and then this year's project.

Mr. COX. Yes, sir. The total plan has been the subject of hearings, controversy, and study for some time. The study and hearings in the last year focused on what specific plans we had. Hearings were conducted by the Armed Services Committees of both the House and the Senate, and our plan has been fairly well heard.

Basically, the results of those hearings were that the Congress felt that we were moving too fast, that they were not receiving the necessary oversight which they felt was important, and that we should reexamine our economic analysis and environmental impacts.

So, we have taken that on board and have reoriented our planning to accommodate those concerns. What we are doing now with respect to the total plan is an environmental impact study, which takes into account your concerns over moving people into the area.

We have also relooked at our economic analysis, and we think the economic analysis is sound. But we are willing to review that analysis, based upon more concrete and more current information, as each project comes up for congressional review.

Senator CANNON. Well, are you proceeding into the design of phase 2 now?

Mr. COX. No, sir.

Senator CANNON. You have not.

Mr. COX. The only thing that was done last year was to proceed with the design of what we call phase 1. Another thing we did as a result of the hearings, which we told the committee that we would do, was to plan our proceeding in such a way that each phase would be independent, that each phase would make economic and environmental sense on its own, and that the committees would have an opportunity to look at each phase to either reject or accept it on its own merits.

We have designed phase 1 only. We have not let any construction contracts on phase 1 yet. What is in the budget for fiscal year 1983 is phase 1 only, which relates to the rehabilitation of 2 buildings in the Navy Yard for administrative space and the relocation of approximately 1,000 employees.

We have reviewed our economic studies for that phase. The economics continue to be sound. In fact, economics show a better savings than before, because we have a better estimate of the construction costs, which are $1 million less than when we previously testified on the subject.

With respect to the environmental impact of phase 1, our environmental analysts have told us that there is no unmitigable negative environmental impact of this first phase.

We commit to you that this phase is totally independent and it makes good economic sense whether the rest of the plan is proceeded with or not.

[The prepared statement of Mr. Chapman Cox follows:]

PREPARED STATEMENT OF MR. CHAPMAN COX, DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR LOGISTICS

Mr. Chairman, I am pleased to have the opportunity to appear before the committee today to provide information regarding Navy's request for authorization and funding of projects at the Washington Navy Yard.

In recent years the Congress, the General Accounting Office, and the Secretary of Defense have been urging the Navy to move its administrative offices out of leased space into publicly owned buidlings. It is difficult to quantify the magnitude of the savings to the taxpayer from such a move. However, there is general agreement that housing Government offices in publicly owned buildings is more economical, especially in times when lease costs are spiraling.

Navy has approximately 2.9 million square feet of office space currently under lease in the National Capital Region. It would be impractical and imprudent to move all of these offices at once. Therefore Navy has undertaken a planning process to develop a master plan for a phased move out of leased spaces and relocation in government owned spaces. The planning process began some time ago and will continue through 1982. We are currently conducting an environmental impact study to consider four alternative sites for the eventual location of the major portion of our offices. Those alternative sites are: Washington Navy Yard renovation and construction; Construction near the Pentagon; Crystal City (purchase or status quo); and Construction at White Oak.

In the meantime economic considerations compel us to proceed with that portion of the relocation which can be undertaken independent of the outcome of the total planning process. The economic objectives are to avoid increasing construction costs and to take advantage of an opportunity to use currently underutilized buildings already owned by the government.

The Washington Navy Yard is the location of several very large buildings owned by the Government which are currently substantially underutilized. We believe it is Navy's responsibility to maximize the use of these buildings, even if the Navy Yard is not chosen as the principal site of the entire relocation from leased space. Accordingly, we asked the planners to develop a project which would:

1. Put to full use currently vacant or underutilized buildings at the Navy Yard;
2. Provide offices for administrative functions currently in leased space;
3. Be compatible with a master plan for the total relocation at the Navy Yard; and
4. Not be dependent (in terms of economic viability or organizational expedience) upon final selection of the Navy Yard as the principal site of the relocation.

The projects which I have appeared to testify about today are the result of that planning effort. We call them Phase I of the master plan. However, we believe, and we have represented to the various oversight committees, that these projects are independent from the final principal site selection. They are compatible with a Navy Yard master plan, but they are not dependent upon its approval for their own functionalism or economic viability. We are requesting:

First, $14.2 million for the Administrative Office Modernization project, to convert, alter and modernize Buildings 111 and 210 to provide approximately 224,000 square feet of space. This will permit relocation of approximately 1,000 Navy civilian employees and military personnel who are assigned to the Naval Facilities Engineering Command, now in leased space in Hoffman Building II in Alexandria; the Naval Audit Service Headquarters and its Capital Regional office, now in the Nassif Building in Falls Church; the Navy Civilian Personnel Command, now in the Ballston Center Towers in Arlington; and the Human Resources Management Center and Chief of Naval Operations' special boards staff support group, both now in the Commonwealth Building in Rosslyn.

Second, we are requesting $1.2 million for the related Public Works Facility project, to alter two smaller buildings to provide 26,700 square feet of space for the relocation of Public Works functions from Building 210. The Public Works Facility project also includes an electrical distribution system switching station.

Design of both of these projects has now progressed beyond 35 percent status. Award of the construction contracts for the Public Works Facility project would occur in December of this year, and for the Administrative Office Modernization project in April, 1983.

We believe that these two projects will cause no serious adverse environmental study currently underway for the entire relocation has separately analyzed the impacts of the Fiscal Year 1983 projects standing alone. Although the study is not completed, the analysts have tentatively concluded that no unmitigatable impact will result from the Fiscal Year 1983 projects. The Draft Environmental Impact Statement for the entire relocation will be available for public and agency review in May or June of this year, and the entire NEPA process should be completed before April, 1983.

I would like to make a few comments about the master plan. From our preliminary studies, the Washington Navy Yard appears to be the preferred principal relocation site, based on both cost and noncost considerations. Although the Navy Yard has not been finally selected as the site, we have developed a very tentative and flexible master plan which is subject to many factors, the principal ones being: (1) the outcome of the NEPA process, and (2) the approval of each Phase by Congressional oversight committees.

Exhibit A illustrates the total plan. This plan is based on several key principles. First, in order to satisfy our total 2.9 million square foot space requirement, we have reached an understanding with the General Services Administration concerning the transfer to Navy of a portion of the contiguous Southeast Federal Center.

Second, to take advantage of the Government's previous capital investment in industrial structures at the site, we have emphasized "adaptive reuse" conversion of existing buildings, shown in the Exhibit. About two-thirds of our total space requirement can be satisfied in this manner. By relying on conversion of these structures, we can save from one-quarter to three-quarters of the cost of new construction, depending on the extent of necessary alterations, while providing high quality office space for our personnel. The balance of the 2.9 million square foot requirement would be satisfied with new construction (at the locations shown in the Exhibit).

Third, our plan preserves the core of the Navy Yard, which is an historic landmark and important cultural asset of our nation.

Finally, the plan is sensitive to the proper balance of vehicular and pedestrian traffic within such a medium density urban office development. This is done by providing parking on the periphery of the site and by developing pedestrian ways within the confines of the existing buildings, and along the riverfront.

If fully implemented, the development is estimated to cost approximately $280 million, stated in constant Fiscal Year 1983 dollars. Funding would be sought over a five or six year period, with construction of each increment taking about two years. Thus, the resulting relocations from leased space would occur over the period from 1985 through 1990. We anticipate that Phase II of the development would be budgeted at approximately $30 million.

However, in view of ongoing Congressional oversight reviews of our Fiscal Year 1983 request, and other planning and fiscal studies underway, we must at this time be somewhat tentative regarding outyear phases and funding of the plan.

In summary, our planning to date is predicated on our desire to operate in as efficient and economical manner as possible. Simply stated, the economics of rising lease costs dictate that we seek a more cost effective means of providing administrative office space.

I hope this brief overview of our planning has served to put our Fiscal Year 1983 request into perspective. I would be happy to answer questions which you might have.

Thank you.

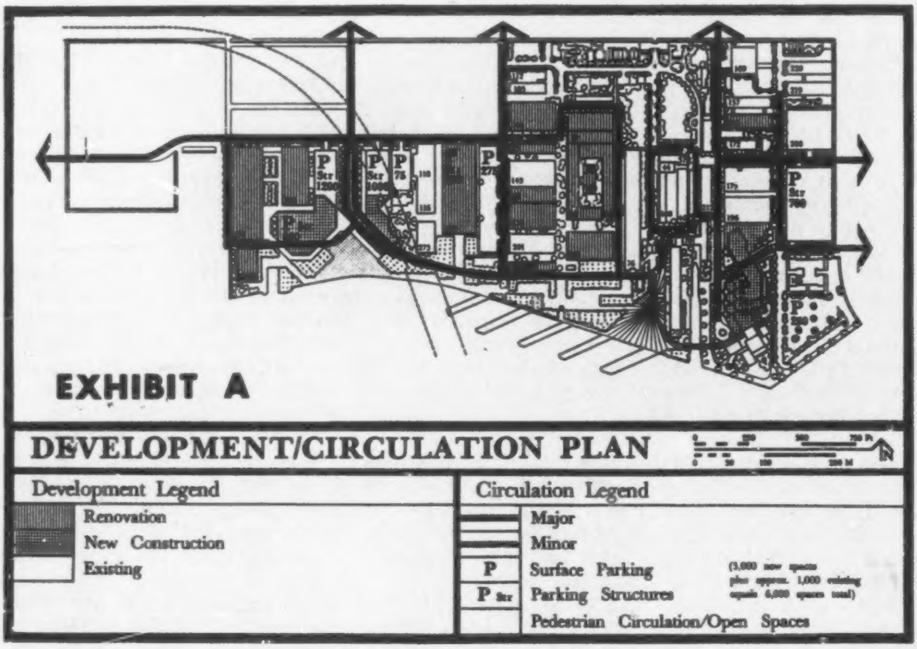


EXHIBIT A

DEVELOPMENT/CIRCULATION PLAN

[Questions submitted by Senator Strom Thurmond regarding the relocation of 18,000 workers in the Washington, D.C., Navy Yard.]

WASHINGTON NAVY YARD

Question. The Navy has some very ambitious plans to relocate some 18,000 workers from leased space in the Washington, D.C. area into renovated space in the Navy Yard. Review this total project for the Committee—how much will it cost and when will it be implemented?

Answer. As a result of pressure from Congress, GAO and the Administration, Navy has been studying the relocation of its 2.9 million square feet of leased office space into publicly owned buildings. These studies have confirmed the availability of substantial savings from such a move. Furthermore, from these studies, the Washington Navy Yard appears to be the preferred principal relocation site.

However, the Navy Yard cannot be finally selected as the site for the entire master plan until the environmental protection process is completed and Congressional approval is obtained.

In the meantime, economic considerations compel us to proceed with that portion of the relocation which can be undertaken independently of the outcome of the total planning process. The projects in the fiscal year 1983 authorization and budget request meet such qualifications:

They will provide offices for administrative functions currently in leased space.

They will take advantage of substantial savings generated by putting to full use currently underutilized buildings.

They are compatible with a master plan for relocation at the Navy Yard.

But they are not dependent in terms of economic viability or functionalism upon final selection of the Navy Yard as the principal relocation site.

There are two projects included in the fiscal year 1983 request:

$14.2 million for the conversion of Buildings 111 and 210 into approximately 224,000 square feet of office space for approximately 1,000 employees.

$1.2 million for related public works facilities and electrical system improvements.

These projects are compatible with our master plan but totally independent. It is emphasized that the master plan is only a tentative plan, based upon our preliminary studies, which indicate that the Washintgon Navy Yard is the preferred site for the entire relocation. This plan is subject to many factor, principally completion of the environmental protection process and Congressional oversight. The master plan has several important elements, which are noted:

Navy has reached an understanding with GSA to transfer a portion of the contiguous Southeast Federal Center to Navy. This property is incorporated into the plan.

Two-thirds of Navy's total 2.9 million square foot administrative space requirement will be met by converting existing underutilized buildings to high-quality office space. This will be accomplished at substantially less than the cost of new construction.

One-third of Navy's requirement will be satisfied with new construction.

The core of the Navy Yard will be preserved. This is an historic landmark and important cultural asset of our Nation.

The plan is sensitive to the proper balance of vehicular and pedestrain traffic in a medium density urban office development. Parking is located on periphery; pedestrian walkways are provided for within the building complex and along the waterfront.

The estimated total cost of the fully implemented development, in fiscal year 1983 dollars, is $280 million.

Funding would be phased over five or six years, with relocations occurring during the 1985–1990 period.

In conclusion, our planning is predicated on our desire to operate in as efficient and economical a manner as possible. Simply stated, the economics of rising lease costs dictate that we seek a more cost effective means of providing administrative office space.

Question. I'm concerned with your proposal to put so many people into Washington, D.C. Have you done the necessary environmental and economic studies to support this proposal?

Answer. While the Washington Navy Yard is our preferred alternative site for relocation from leased space, a final decision has not been made regarding the principal relocation site. This decision will not be made until we have completed a detailed enviromnental impact study. Toward this end, we have contracted with a national urban planning firm, which is preparing the necessary, full-disclosure Environmental Impact Statement. The effort is well underway, and evaluates impacts not only at the Washington Navy Yard, but also impacts at the Pentagon, Crystal City and White Oak alternative sites. In addition, the environmental study includes a detailed traffic analysis, which deals specifically with the issues of potential increases in commuter time and traffic congestion. Survey data has been collected from some 12,000 Navy employees for this analysis. We expect to file the draft EIS for agency and public review this summer, such that a final siting decision for the principal consolidation site can be made by the Secretary of the Navy by the end of the year, after completion of the environmental protection process.

At the same time, we are independently analyzing the potential impacts of the proposed fiscal year 1983 projects. Although the study is not completed, the analysts have tentatively concluded that no unmitigable impacts will result from the fiscal year 1983 projects.

Both Navy and the General Services Administration have undertaken detailed economic analyses of the proposed Navy Yard development, which conclusively determine that significant savings would result from relocation from leased space to the Navy Yard. Our economic analyses for both the fiscal year 1983 projects, and for the total Navy Yard development plan were subjected to careful Congressional oversight review last fall. We believe they withstood the test at that time. Since then several developments have occurred which affect our conclusions. First, Navy's original planning for fiscal year 1983 was based on relocating the Military Sealift Command. However, because the organizational status and staffing of MSC is now under active review, it was deemed prudent to revise our planning for fiscal year 1983. The alternative commands to MSC are in leased space which is slightly less expensive, having a minor negative effect on the payback in our economic analysis. On the other hand, our 35-percent design cost estimates for the projects are about $1.1 million less than the costs included in our economic analysis. This more than off sets the negative impact of the alternative leases to MSC. On balance, our economic analysis is more credible today than last fall, when it was carefully reviewed in the Congressional oversight process.

Question. I believe Phase I of this project was authorized in fiscal year 1982. Where do you stand with contracts for construction on this phase?

Answer. Navy neither sought nor received authorization and funding for construction of Navy Yard development projects in FY 1982. However, special hearings were held last fall before House and Senate Armed Services subcommittees in connection with start of design of the first projects. As a result of that oversight process, Navy proceeded with design of the first projects, and has included them in the fiscal year 1983 authorization and funding request. Design has how proceeded beyond the required 35 percent status, such that we have a high degree of confidence in our construction cost estimates and will be ready to execute construction contracts early in calendar year 1983.

Question. Phase II is in your fiscal year 1983 request. Is this phase independent of the other phases, that is, if you get the money for Phase II, and not for future phases, is it still economically justified?

Answer. The first phase of the total development plan is included in the fiscal year 1983 request, not Phase II. The requested fiscal year 1983 projects are totally independent of any subsequent projects and relocations, from the perspectives of organizational management, space utilization, design, construction, funding and economic viability. The projects were planned in this manner so as to enable Congressional overight and approval of the fiscal year 1983 projects, independent of subsequent relocations and development.

Phase II of the development will be included in the fiscal year 1984 Military Construction request, subject to the outcome of the environmental protection process and Congressional oversight of the fiscal year 1983 request.

Question. Where do you stand on design for the fiscal year 1983 phase—can you spend the construction money that you have requested in fiscal year 1983?

Answer. Design of both of the fiscal year 1983 projects has progressed beyond the 35 percent status. The requested construction funds would be obligated in fiscal year 1983.

Question. Why are you proceeding to design Phase II before you complete the required environmental studies?

Answer. Navy has not proceeded with design of the Phase II projects. The formal notification of Navy's intent to proceed with design will not be sent to the Congressional committees until such time as the oversight process for the fiscal year 1983 projects has been completed. However, it is anticipated that by the time actual design has begun, the environmental protection process will have progressed to a point where potential adverse impacts of the fiscal year 1984 projects will have been assessed.

Senator CANNON. All right. Admiral, let me turn now to the commissary issue. You know the commissary with some people in times of an expanded defense budget is about as hot an item as the payroll for military bands and so on.

So, I wonder if you would address it. I think I know what the answers are but, for the record, give us an update on what is being done on the commissaries, on how they stand with respect to costing the taxpayers money, and where are you on your construction program on your backlog of commissaries, if you do have a backlog.

Mr. Cox. I have been involved in this issue, too, not so much on the economics of the commissary operations but on the construction. I would be happy to answer some questions about the proposed amendment.

But I think that Admiral Wilson, who is the Navy-wide Commander of the Navy Resale Office, is in the room. He could better respond to your questions about the operations.

Senator CANNON. All right.

COMMISSARIES

Mr. Cox. This is Rear Adm. Donald E. Wilson, SC, USN, Commander, Navy Resale and Service Support Office.

Admiral WILSON. Yes, sir, I will be glad to answer any questions.

With the Kings Bay Commissary in the project and those commissaries in our backlog that we have previously proposed for MILCOM funding and now have switched over to what we call trust-fund funding which is the 2-percent surcharge we add to the price of the goods sold in commissaries for major construction and commissary store improvement.

That total backlog is $153 million, of which $12 million will be taken care of in 1982.

Senator CANNON. Out of the surcharge?

Admiral WILSON. Out of the surcharge, yes, sir. In the 1983 through 1986 program as it now stands we have planned an additional $30-some million worth of construction.

Senator CANNON. Now, is there any construction on commissaries now that you are doing that is not paid out of the surcharge?

Admiral WILSON. Not that I know of, no, sir.

Senator CANNON. And what about the operation of the commissaries themselves?

Admiral WILSON. The Commissaries for the normal routine cleanliness items, equipment replacement, cost of the bags that you put the groceries in, and general maintenance, is all paid for out of the surcharge in Navy Commissaries.

Senator CANNON. What about the personnel charge?

Admiral WILSON. The personnel charges are part of a separate appropriated fund request.

Senator CANNON. And what does that amount to on an annual basis?

Admiral WILSON. I do not have those figures here today.

Senator CANNON. Could you supply that for the record?

Admiral WILSON. Yes, sir.

[The information follows:]

COMMISSARY CONSTRUCTION

In 1982 the Navy has programmed to use $82.4 million to pay for both civilian and military personnel utilized in the commissary program.

Senator CANNON. I am sure you know what I am getting at here. We get a lot of questions in this area and a lot of statements that are not factual. I think it is well to have it at one place in the record as to what is the commissary charge to the taxpayers that is not reimbursed out of the surcharge, so that when military personnel—and, of course, we give them that for a good reason because it is an inducement to try to keep them in the service or try to get them in. It is one of those benefits.

But we do get complaints about the fact that they are competing with stores on the outside and that the taxpayers are funding their own competition.

Will you supply for the record then not only the personnel, if there are other charges there as far as you are concerned, provide for the record what those charges are on an annual basis?

Admiral WILSON. Yes, sir. Appropriated funds?

Senator CANNON. Appropriated funds, yes.

Admiral WILSON. Yes, sir.

[The information follows:]

In 1982 the Navy has programmed $18.9 million to support non-personnel related costs in its commissary program. This support will be utilized primarily to pay for the costs of transporting commissary goods to overseas locations.

Senator MATTINGLY. I would just like to ask one follow-on question on that, just for my own information.

Is the inducement really that good any more on the commissaries compared to outside?

Admiral WILSON. Senator, that is way out of my area. I run the commissaries. But I am told that the commissary's pay benefit is one of the highest, second only to the medical.

Mr. COX. Sir, just to add to that question without making any value judgments on the amount of the inducement, they are run with the objective of a 20-percent cost differential. So, perhaps that better answers your question.

We try to make them run at 20 percent less than the competition.

Senator MATTINGLY. I am for it. I just wondered if there was that much difference in there. You hear both sides of it. I am sure there are things in it that probably cost more than they cost on the outside.

Admiral ZOBEL. I think there are a number of us in the room, Senator, that could speak to that personally and say that there is no question about it. We consider it a definite benefit and would certainly like to see it continue.

Senator MATTINGLY. Great. Thank you.

[Questions submitted by Senator Strom Thurmond regarding commissary construction follow:]

COMMISSARY CONSTRUCTION

Question. What is your total backlog of commissary construction requirements?

Answer. The total backlog is $153 million of which $12 million is currently included in our fiscal year 1982 CSTRF construction plan.

Question. Commissary construction is now accomplished using surcharge funds that commissary patrons pay at the cash register. About how much does the Navy spend each year on commissary construction?

Answer. The average amount spent annually on major construction is $7 million.

Question. What does this amount to as a percentage of your gross sales?

Answer. The amount represents approximately 1 percent of sales.

Question. We are considering a legislative proposal to permit you to contract for new commissary construction on a "cash flow" basis—rather than forcing you to accumulate all the surcharge funds needed for a new project before starting construction. This should accelerate your program by at least a year. What are your thoughts on this proposal?

Answer. The Navy wholeheartedly endorses the legislative proposal. By restricting the Navy's ability to construct and improve facilities in a timely manner, the current law has contributed to the buildup of a large backlog of vital projects. Since construction costs are rising by approximately 10 percent annually, delays in getting such projects started increase their final costs. The delays also impose a hardship on many patrons in that their ability to exercise the commissary store privilege is restricted. If the proposed legislation is enacted, the results derived are expected to be as follows:

Navy's commissary store construction program can be increased from $7 million to $13.8 million in fiscal year 1983 which will advance our current fiscal year 1984 through fiscal year 1986 commissary store construction program one full year.

An acceleration in construction projects will provide a savings of $3 million.

Military personnel will receive a better return on their surcharge moneys used for construction.

Question. As I understand it, commissary patrons now enjoy a cost benefit of 20–30 percent over commercial supermarkets. Is that accurate?

Answer. The Navy conducts retail price comparison surveys semiannually in order to evaluate the mission performance of commissary store operations in terms of the savings being passed along to authorized patrons. In the course of each survey, Navy commissary store selling prices for 100 market-basket items are compared with the selling prices at local commercial supermarkets. The market basket is composed of 92 food items and 8 nonfood items. Eighty-five of these items correspond to those used by the Bureau of Labor Statistics in its market-basket price studies. The Navy commissary stores participating in a retail price comparison survey are selected on a rotational basis, since it would be too costly and too time-consuming to include the 60 CONUS stores in each survey. In order to ensure the validity of the surveys, state and local taxes are not included in the commercial selling prices recorded. Although there are slight fluctuations in the savings offered by Navy commissary stores because of local market conditions and inflationary pressures, the retail price comparison surveys demonstrate that Navy commissary stores provide an average savings of 20 percent over commercial supermarket prices.

Question. Why don't you increase your surcharge by 1 or 2 percent to build out your commissary construction backlog more rapidly?

Answer. We could increase the surcharge but are reluctant to do so since a rise in our selling prices would be resented by our patrons. They would regard higher selling prices as an erosion of the commissary store benefit.

Senator LAXALT. General Petersen, can we go back to you for a moment or two?

General PETERSEN. Yes, sir.

MARINE CORPS DEVELOPMENT AND EDUCATION COMMAND, QUANTICO, VA.

Senator LAXALT. Your statement mentions a sizable project for steamplant modifications at Quantico. I understand there is also a follow-on project which, if accomplished with the requested project, would result in some substantial cost savings.

I wonder if you would mind explaining these projects.

General PETERSEN. Yes, sir. The steam conversion plant at Quantico is planned for two phases. In fiscal 1983, a MILCON project of $20.5 million, which would provide boiler rehabilitation, air pollution control——

Senator LAXALT. That is $20.5 million?

General PETERSEN. Yes, sir, $20.5 million.

Senator LAXALT. All right.

General PETERSEN. That would take care of the boiler rehabilitation, the air pollution control equipment, and an addition to the steam distribution system.

We have a second project in fiscal 1985 for $19.5 million which will provide for an electric cogeneration system at the existing plant.

By combining these projects and moving the 1985 project up, we would save substantially, not only military construction costs but also in operating costs. We would be able to wrap the package up in one nice, neat bundle and save the outyear increases.

Senator LAXALT. Do you have any estimates on those savings yet?

General PETERSEN. I can provide it for the record.

Senator LAXALT. Just ball park.

Admiral ZOBEL. The military construction saving would be about $3 million by advancing the 1985 project to the 1983 program.

Senator LAXALT. And that is if we combine both, you are talking about?

Admiral ZOBEL. Yes, sir.

General PETERSEN. That is correct.

[Additional information follows:]

In a meeting between Mr. Rick Pierce, SAC Staff, and Mr. Samuel, Marine Corps Staff, subsequent to the hearing, Mr. Pierce stated that it would not be necessary to provide a prioritized list of the 3.4 billion backlog. What was required was a response to the question posed by Senator Laxalt: "What is your estimated backlog in valid requirements, and how do you foresee meeting these requirements?".

Senator LAXALT. And finally now, General Petersen, what is your estimated backlog in valid requirements, and how do you foresee meeting these requirements? Do you have that available?

General PETERSEN. Yes, sir, roughly it is $3.4 billion, Senator.

Senator LAXALT. Three-point-four billion.

General PETERSEN. Yes, sir.

Senator LAXALT. And you have those prioritized and listed so that we can get a look at them?

General PETERSEN. Yes, sir, I can provide that for you for the record if you would like.

Senator LAXALT. That would be helpful, if you would. Thank you.

General PETERSEN. Yes, sir.

[The information follows:]

MARINE CORPS MILITARY CONSTRUCTION PROGRAM

The Marine Corps has an estimated backlog in valid requirements of $3,584,600,000 as of 1 May 1982. Current planning indicates that approximately $1.44 billion will be allocated to Military Construction through Fiscal Year 1988. At this rate the backlog could be eliminated within a 21 year time frame, however; unforeseen requirements, new weapons systems, inflation, etc. will undoubtedly extend this estimate.

Under current fiscal restraints it is unlikely that the Marine Corps Military Construction backlog will ever be totally eliminated. Therefore it is essential that the current policy of requesting Congressional approval of only those projects considered to be most vital to the Marine Corps be continued.

Senator LAXALT. Senator Thurmond, you may proceed if you wish, sir?

Senator THURMOND. Thank you.

General Petersen, I note that the Marine Corps has a larger construction program this year than usual. How did you manage to get the Navy to give you so much construction funds? [Laughter.]

General PETERSEN. Senator, since becoming our own resource sponsor we, in the Marines, have been better able to control our own fate, our own destiny, in terms of our construction budget.

The Commandant has applied more of his resources to military construction. We expect this trend to continue.

MARINE CORPS BASE, CAMP PENDLETON, CALIF., MOUNTAIN WARFARE TRAINING CENTER

Senator THURMOND. Let me ask you about your mountain training site which, I believe, you refer to as "Pickel Meadows."

General PETERSEN. Yes, sir.

Senator THURMOND. Does the Marine Corps own that land, or do you have some type of long-term arrangement with the owner to be sure that the Marine Corps can keep these facilities once it builds them?

General PETERSEN. Senator, the camp site and training areas are part of the Toiyabe National Forest, it is controlled by the U.S. Forest Service, Department of Agriculture.

The Forest Service and the Marine Corps have effected a memorandum of understanding whereby the Marine Corps is allowed to utilize the training area and construct permanent camp facilities.

In planning for the facilities at Pickel Meadows, the cooperation and help of the Forest Service has been most commendable.

Senator LAXALT. May I interrupt for just a moment?

Senator THURMOND. Sure.

Senator LAXALT. How long has it been since we have done anything to Pickel Meadows?

General PETERSEN. Actually, we have ongoing construction. Senator. In point of fact, we have been trying to upgrade the facilities there for the past several years.

Senator LAXALT. Have we had any training programs there recently?

General PETERSEN. Yes, sir, we have. In fact, we have Marines there on a year-round basis. During the winter months, of course, we really use those facilities extensively.

Senator LAXALT. Excuse me, Mr. Chairman. Do we understand you to say you have people there on a year-round basis?

General PETERSEN. That is right, sir.

Senator LAXALT. All geared to handle the winter programing?

General PETERSEN. Yes, sir.

Senator LAXALT. Were you able to do anything this year with all that snow in there?

General PETERSEN. Ideal training, sir. [Laughter.]

Senator LAXALT. Well spoken for a Marine.

Senator THURMOND. How much have you programed over the next several years to put into facilities at this site?

General PETERSEN. Senator, over the next several years we are planning—up to 1987—to put in roughly $23 million worth of construction. It will be in the areas of UEPH's, dining facilities, maintenance shop, training facilities, and even a gymnasium. It will be a pretty complete package by 1987 when it should be completed.

Senator **Thurmond**. It has been suggested that you might share the mountain training site that the Army has at Dahlonega, Ga. Has any consideration been given to that?

General **Petersen**. Yes, sir. We would be more than happy to train some of their men for them, sir. But in terms of giving up any share of the camp——

Senator **Laxalt**. There is not enough snow there, is there? [Laughter.]

Senator **Thurmond**. What is the real reason why one site could not suffice for both?

General **Petersen**. Actually, the Army site is not quite as—I am speaking from not really the experience that I perhaps should—but the Army site does not really give us the type of training that we look for. The Army site does not provide as much snow as we would like to have, and it is not quite as rugged as we would like to have in terms of the terrain features.

We have sent Marines to the Army site on occasion to train, but the majority of our training is done at the Pickel Meadow site.

Senator **Mattingly**. I would like to add something to that. I have been to Dahlonega and have spoken there, it would be a good combat place.

Senator **Thurmond**. He is from Georgia. [Laughter.]

As you know, I have one of the Navy shipyards in my State at Charleston, S.C. Each time I visit that shipyard I am appalled at the condition of the facilities. They need major upgrading.

Several years ago you started a program called the shipyard modernization program and all the shipyards got some construction. For the last 2 years, shipyard projects have lagged. How many shipyard projects do you have in your fiscal year 1983 request, Admiral?

NORFOLK NAVAL SHIPYARD, PORTSMOUTH, VA.

Admiral **Zobel**. Senator Thurmond, we still have a shipyard modernization program. Our 1983 authorization request includes two projects, the steam plant for the Norfolk Naval Shipyard at $160 million, and the electrical/electronics shop addition for the Portsmouth Naval Shipyard at $2,200,000. Appropriations of $133.2 million are being requested in 1983.

You are certainly correct in noting that the major upgrades are required at all eight shipyards. We compute our overall construction backlog at those shipyards at $1.4 billion. I think the reason why we have had a fewer number of projects over the last few years is because of the size of those individual projects—just taking care of those electrical needs has been very great.

Senator **Thurmond**. What do you plan to do at Charleston, and how soon?

Admiral **Zobel**. We, right now, have a program of about $150 to $200 million program for the eight shipyards over the next 5 years. Our program during the 1970's, for instance, was about $34 million a year. That has been increased in 1980, 1981, and 1982 to $80 million a year, and we would propose to increase that to about $150 to $200 million as I said. Certainly, Charleston will come in for a piece of that action.

As you know, we have done a number of things at Charleston. There is a new pipe shop down there. It has certainly been well received at the shipyard.

Senator **Thurmond**. You would not object if some funds were put in to do it sooner, would you?

Admiral **Zobel**. Certainly, that is your prerogative, Senator.

Senator **Thurmond**. That is not the question I asked you. [Laughter.]

Admiral **Zobel**. Our needs are great.

Senator **Thurmond**. You would not object if some funds were put in to do it sooner, would you?

Admiral **Zobel**. Our needs are great, sir. I could not recommend that we exceed the President's budget, I am prevented from doing that.

Senator **Thurmond**. I did not ask you that. [Laughter.]

Admiral **Zobel**. I personally would not object, Senator. [Laughter.]

Senator **Laxalt**. You would not dare. [Laughter.]

Senator **Thurmond**. I did not think you would object. [Laughter.] I do not see how anyone would object if you can get something done that you need. You say you need it, do you not?

Admiral **Zobel**. We do need it, yes, sir.

Senator **Thurmond**. Can you not revive the shipyard modernization program and start putting much needed construction dollars into future budgets? I know it would be cost effective.

Admiral **Zobel**. Yes, sir. I think that is really the gist of what I was saying concerning $150 to $200 million for the coming 5 years. We are now designing 23 projects at a total of $270 million that we would expect to start programing in fiscal year 1984. We are going to continue to update that program as we proceed.

Senator **Thurmond**. Let me quote from last year's conference report on the military construction bill:

> The conferees also recognize that some of the projects that were authorized by the conference committee may, for numerous reasons, not be funded in the fiscal year 1982 military construction appropriation bill. Such projects should be given first priority for funding in the fiscal year 1983 military construction appropriations request.

Do you recognize that language?

Admiral **Zobel**. Yes, sir.

Senator **Thurmond**. Last year the Congress authorized $13 million for a maintenance facility at the Charleston Navy Shipyard. Due to a funding squeeze, this project did not receive appropriations.

Based on the conference report language above, I expected to see the project in your fiscal year 1983 construction appropriations request. It is not. Can you explain why, in view of the language of the Congress?

Admiral **Zobel**. Yes, sir. The only answer I really have for you, Senator, is that as you indicated, last year there was a budget squeeze that the Congress faced, and we faced a similar budget squeeze within the Navy. There are always things that are demanding to get into the program.

That is simply one that did not quite make it. We still have a need for that project and we expect to put it in a future program. As you know, it is a necessary thing at the shipyard, but it is simply one of those things when, chalked up against all of the other items that we had in the program, simply did not have the priority, sir.

They are all "A" students.

Senator **THURMOND**. Are you not from Charleston, originally?

Admiral **ZOBEL**. Yes, sir. [Laughter.]

Senator **THURMOND**. Are you afraid someone would accuse you of showing a priority to your home city?

Admiral **ZOBEL**. No, sir, I was not afraid of that.

Senator **THURMOND**. In other words, we want to be fair to everyone, but we do not want any feeling shown simply because it happens to be from your home State. So, keep that in mind. [Laughter.]

Admiral **ZOBEL**. Yes, sir.

Senator **THURMOND**. You went to the best military college in the United States, so you should have a good education.

NAVAL SUPPORT FACILITY, DIEGO GARCIA

What is the status of your ongoing construction effort at Diego Garcia?

Senator **LAXALT**. We finally got out of South Carolina. [Laughter.]

Admiral **ZOBEL**. We awarded a cost-plus-award-fee contract to the firm of Raymond, Brown and Roots, and Mowlem which is a joint venture—in July of 1981. The contractor has now completed a contractor's camp that will house his people. He completed that in March, which was a couple of weeks ahead of schedule.

We have an 8,000-kilowatt powerplant that was started in February of this year. It is going to be followed by a ground support equipment shop, an air cargo terminal, some utilities, and all that construction is now ongoing and proceeding well.

As you know, sir, the effort prior to this contract has been one of Seabee involvement. We have been on the island with Seabees since 1972 and all of the construction, or at least 99 percent of it—with the exception only of some steel tanks—has been constructed by the Seabees. We think they have done a fine job.

Many of our people, though, have been rotating back to that island now for the third and fourth time. It is not a great retention factor to have our people go to that remote location that many times.

So, we believe that with the size of the program that is scheduled for Diego it is time now to phase out most of the Seabee involvement. We will still have a 150- or 200-man detachment of Seabees, and we will have some people who have not been there before or at most have only been there once before, that will continue that work. But it will primarily be a contractor effort from here on out, sir.

NAVAL ACTIVITIES, SOMALIA

Senator **THURMOND**. Thank you.

I understand that your planned construction for Somalia has increased substantially since last year. Where do you stand on that effort, and explain in general the cost increases.

If you want to provide the details for the record, you can do that.

Admiral **ZOBEL**. All right, sir. I can say very quickly, we had $400,000 in fiscal year 1981 and we awarded a contract in October of last year to a Somalia firm, Horn contractors. That was a very small contract.

In 1982, we had $24 million for the Berbera Airfield and for the port. We expect to award three construction contracts in May, July, and September of this year.

This program, fiscal year 1983, now includes $30 million at Berbera Airfield and in the port, and at the Mogadishu Airfield. It includes a second increment of the quay at Berbera which will be awarded as an option to the contract. If you remember, last year we had about $20 million in the program for that quay at Berbera. We were not able to construct the entire length because of the increase in cost due to the "Buy America" provision. So, we have $10 million in this year's program to complete that quay to its full length.

Additional work will also be awarded in January and March of next year.

Senator THURMOND. Why are you planning to upgrade the commercial runway at Mogadishu?

Admiral ZOBEL. It is part of a program, simply, to allow us to use that runway for contingency purposes, should we need it, sir.

NAVAL ACADEMY, ANNANPOLIS, MD.

Senator THURMOND. Admiral, your request includes some $11 million to renovate the existing gymnasium at the Naval Academy. Just a few years ago we authorized a new gymnasium for the Academy. How much did that new gymnasium cost, when was it authorized, and what is the status of construction?

Admiral ZOBEL. Sir, that new gymnasium was authorized in fiscal year 1979. It was part of our original plan to meet the needs of a 4,400 midshipmen student body at the Naval Academy, vice the 1,550 students that were there back in 1903 and 1924 when the original facilities, that we are now proposing to rehabilitate, were constructed.

The first part of our plan was to build the physical education facility which primarily took care of swimming, both for training and for intercollegiate competition, and for wrestling. That physical education facility was finished in October 1981 at a total cost of $13.7 million.

The second piece of that same part of our plan, this project, will now rehabilitate the space that has been made available by having moved into that new facility, and it will rehabilitate it for those kinds of sports that we have, sports primarily like basketball, raquetball, fencing, gymnastics, and boxing.

It will also upgrade the training pool that was built in 1924. It will upgrade the lockers, and the toilets, and primarily the utilities that are associated with that training pool. So, we will have a facility to today's standards as opposed to 1924 standards.

Senator THURMOND. What will be the total you have in gymnasiums?

Admiral ZOBEL. I would like to provide that for the record, sir, because we have a fieldhouse, and, of course, we then have this training and intercollegiate competition physical education building that has just been completed in October.

[The information follows:]

NAVAL ACADEMY, ANNAPOLIS, MD.

Naval Academy gymnasiums:	*Square feet*
Gymnasium (Macdonough Hall)	121, 690
Gym/swimming (New Lejeuene Hall)	95, 000
Swimming (Scott Natatorium)	55, 766
Fieldhouse	166, 500

Senator Thurmond. If you would provide it for the record. Why do you need $11 million to go back in and renovate the existing gymnasium. That is the reason I asked the question.

Admiral Zobel. Yes, sir, it is a sizable project. I am sure you have been at the Naval Academy and have seen that area. But there is an old swimming pool that will be covered over. We will, therefore, make available additional space for combative skills, for basketball, and for raquetball.

With a large student body of 4,400 as opposed to the 1,550, as I said, when the Naval Academy started, it has required a lot more space than we originally had. This is part of that program in order to provide for that larger student body.

NAVAL AIR TEST CENTER, PATUXENT RIVER, MD.

Senator Thurmond. I have several questions here on the Patuxent River family housing. You are planning to buy 1,000 existing units of family housing at Patuxent Naval Air Station in Maryland and to spend a considerable amount of money renovating these units. Would you review your plans here?

Admiral Zobel. Yes, sir. The current occupancy of that old, Wherry family housing project is low, it is less than 50 percent. The conditions in the housing are very marginal. The units do not meet our minimum square foot requirements. There are 1,000 units there to be acquired, and those will be converted into 550 units.

In our fiscal year 1983 increment we plan a $5 million acquisition which includes $1 million for relocation cost of those people that are currently living in there; that is required by law. Then, $16.8 million will be needed to renovate 660 units to 330 units. In other words, we will be simply increasing the size of those units and therefore making them more livable and more acceptable to the people who very much need housing down in that area.

That second increment we propose is for fiscal year 1984.

Senator Thurmond. When you get finished with the acquisition and renovation, how much will each housing unit cost?

Admiral Zobel. The estimated cost right now is about $61,500,000 per unit.

Senator Thurmond. Have you done an economic analysis that shows that it is cost-effective to buy and renovate these old units rather than build new units?

Admiral Zobel. Yes, sir, we have.

Senator Thurmond. What does that show?

Admiral Zobel. I would like to provide the details of the cost for the record, but it indicates that to purchase and to rehabilitate would be more cost-effective than to build new.

Senator Thurmond. Can you provide that for the record?

Admiral Zobel. Yes, sir.

[The information follows:]

NAVAL AIR TEST CENTER, PATUXENT RIVER, MD.

The economics of the situation indicate that to acquire and rehabilitate the Wherry units would be approximately half the cost of military construction. The acquisition and rehabilitation is estimated to be $33,800,000, whereas military construction of 550 3-bedroom new housing units in fiscal year 1983 would be $64,354,000, based on an average square footage cost of $48.70, plus associated costs. Operation and maintenance costs over the life of the units are considered similar.

SUPPLEMENTAL INFORMATION

A revised DD 1391 for the acquisition follows which specificially notes the requirement to relocate the present occupants:

1. COMPONENT NAVY	FY 19 83 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 29 APR 1982

3. INSTALLATION AND LOCATION NAVAL AIR TEST CENTER, PATUXENT RIVER, MARYLAND	4. PROJECT TITLE FAMILY HOUSING ACQUISITION

5. PROGRAM ELEMENT	6. CATEGORY CODE 711	7. PROJECT NUMBER P-	8. PROJECT COST ($000) 5,000

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
FAMILY HOUSING ACQUISITION	FA	1,000	4,600	4,600
SUBTOTAL	-	-	-	4,600
CONTINGENCY (5%)	-	-	-	230
TOTAL CONTRACT COST.	-	-	-	4,830
SUPERVISION, INSPECTION & OVERHEAD (5.5%). .	-	-	-	170
TOTAL REQUEST.	-	-	-	5,000
TOTAL REQUEST (ROUNDED).	-	-	-	5,000
EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS	-	-	(NON-ADD)	(0)

10. DESCRIPTION OF PROPOSED CONSTRUCTION

Acquisition of existing Wherry Housing units including relocation costs for present occupants.

11. REQUIREMENT: VARIES.

PROJECT: Provides government ownership of military family housing units.
REQUIREMENT: Adequate family housing for officer and enlisted personnel.
CURRENT SITUATION: Units are two-story brick and frame multiplex buildings needing conversion and modernization to meet existing criteria. General nature of reconfiguration involves combining two small two-bedroom units into one three-bedroom unit, with two full baths. Existing oil-fired boiler for hot water and heating system, and individual window air conditioning units will be replaced with unit heatpump heating and cooling. Walls, roof and crawl space to be insulated. Replacement of existing windows with double glazing, insulated metal front and rear doors, and new roofs, gutters, and downspouts are planned. Approximately 360 of the units are presently occupied by both military and civilian households. Present tenants must be relocated in compliance with Uniform Relocations Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646).
IMPACT IF NOT PROVIDED: Present shortage of adequate housing for Naval personnel and their families will continue.
ADDITIONAL: An economic analysis indicates acquisition and modernization/conversion is less costly than new construction.

Senator THURMOND. Thank you, those are all the questions I have. Do not forget you are from Charleston. [Laughter.]

Admiral ZOBEL. Yes, sir. I will never forget that.

Senator THURMOND. Thank you, Mr. Chairman.

Senator LAXALT. Thank you, Mr. Chairman. Senator Mattingly?

NAVAL STATION, GUANTANAMO BAY, CUBA

Senator MATTINGLY. Yes, I would like to ask some questions about the Guantanamo family housing. Are you planning to build new family housing in Cuba?

Admiral ZOBEL. The Congress approved 200 units in fiscal year 1975 but those units were not constructed due to some realinement proposals that we had at that time.

But as you know, sir, the Guantanamo base now will remain fully operational for training purposes, and we do have 200 units that are required. There are 176 enlisted and 24 officers. Those units are certainly needed for our people down there.

Senator MATTINGLY. Do you have anybody living off the base at Guantanamo?

Admiral ZOBEL. No, sir. There is no communication back and forth across that boundary. Everybody lives on the base.

Senator MATTINGLY. I think there is a lot of concern with building anything down in Cuba right now. Would it be better, possibly, moving those families back to Key West, Fla., and letting the husbands visit from Cuba on a regular basis?

Admiral ZOBEL. We do not think so, sir. With the number of people that we have there and the needs that we have for training and readiness, and for ship repair, we believe that it is a strong retention factor to have those families there with our people. We do that whenever we can.

Senator MATTINGLY. How much money are we contemplating to spend in fiscal year 1983 in Cuba?

Admiral ZOBEL. About $26 million, sir.

Senator MATTINGLY. That includes family housing and an elementary school addition?

Admiral ZOBEL. Yes, sir.

Senator MATTINGLY. General Petersen, is anything going on in Georgia, the Marine base, as far as military construction?

General PETERSEN. I do not believe we have any in the program for this year, Senator. Let me just take a second and check, sir.

No, sir, we do not, not this year.

Senator MATTINGLY. By the way, you have some real good people there.

General PETERSEN. Thank you very much, Senator.

Senator MATTINGLY. That is all the questions I have.

Senator LAXALT. All right. That is all I have as well.

General PETERSEN. Thank you, sir.

Senator LAXALT. Additional questions have been submitted for the hearing record.

[The questions with answers supplied follow:]

FISCAL YEAR 1983 NAVY/MARINE CORPS MILITARY CONSTRUCTION PROGRAM

Senator THURMOND. Identify projects where the estimated project costs and project scopes have changed since being submitted to the Congress.

Answer. Cost estimates of 20 projects and the scope of one project have been revised. Budgetary procedures and late receipt of estimates based on 35 percent design prevented revision of the estimates before their inclusion in the budget. A list of the projects with cost changes and DD Forms 1391 for the two projects with scope changes follow:

[In thousands of dollars]

Location and project	Request	Current Estimate	Difference
Naval Station, Keflavik, Iceland: Family services center, P-455	1,500	1,700	+200
Public Works Center, Norfolk, Va.: Utilities improvements, P-742	4,600	4,850	+250
Naval Security Group Activity, Edzell, Scotland: Enlisted dining facility, P-038	1,140	1,850	+710
Naval Surface Weapons Center, Dahlgren, Va.: Applied research laboratory, P-209	10,800	13,000	+2,200
Fleet Anti-Submarine Warfare Training Center PAC, San Diego, Calif.: Applied instruction building, P-227	3,950	4,900	+950
Marine Corp Recruit Depot San Diego, Calif.: Dining facility, P-040	3,400	4,100	+700
Naval Shipyard, Mare Island, Calif.: Breathing air system safety improvements, P-223	2,250	2,650	+400
Naval Air Station, Pensacola, Fla.: Facility energy improvements, P-546	1,400	1,600	+200
Naval Station, Pearl Harbor, Hawaii: Electronics/communication maintenance shop, P-321	1,900	2,100	+200
U.S. Navy Public Works Center, Subic Bay, Republic of the Philippines: Facility energy improvements, P-878	2,050	2,250	+200
Naval Air Station, Cubi Point, Pepublic of the Philippines: Jet engine test cell, P-767	5,000	5,300	+300
Naval Air Station, Moffet Field, Calif.:			
Unaccompanied enlisted personnel housing, P-199	6,850	7,200	+350
Applied instruction building, P-202	4,950	5,400	+450
Naval communication Area Master EASTPAC, Hawaii: Satellite communications building addition, P-128	1,800	1,950	+150
Naval Air Station, Corpus Christi, Tex.: Aircraft ready fuel storage, P-235	1,150	1,300	+150
Naval Station, Charleston, S.C.: Mooring platform, P-639	6,700	7,400	+700
Naval Air Station, Corpus Christi, Tex.: Radar air traffic control center, P-031	1,650	1,450	−200
Naval Station, Mayport, Fla.: Land Acquisition family housing	1,000	750	−250
Marine Corps Air Station, El Toro, Calif.: Unaccompanied enlisted personnel Housing, modernization, P-327	7,200	6,800	−400

FISCAL YEAR 1983 MILITARY CONSTRUCTION PROJECT DATA

1. Component: Navy.
2. Date: April 29, 1982.
3. Installation and location: Naval Station, Charleston, South Carolina.
4. Project title: Berthing Pier.
5. Program element: 2 47 96 N.
6. Category code: 151.20.
7. Project number: P-639.
8. Project cost: $7,400,000.
9. Cost estimates:

Item	U/M	Quantity	Unit cost	Cost thousands
Berthing pier	LS			$4,370
New pier Romeo	SY	1,170	1,710	(2,000)
New pier Romeo mooring Extension	SY	3,160	551.00	(1,740)
Improvements-pier Sierra	LS			(630)
Supporting facilities				2,350
Utilities-pier Romeo	LS			(980)
Utilities-pier Sierra	LS			(570)
Paving and Site improvement	LS			(500)
Demolition	LS			
Subtotal				6,720
Contingency (5 percent)				340
Total contract cost				7,060
Supervision, inspection and overhead (5.5 percent)				390
Total request				7,450
Total request (rounded)				7,440
Equipment provided from other appropriations (non-add)				(0)

10. Description of proposed construction: Rebuild pier Romeo including wide pierhead and mooring extension; pier Sierra improvements; new mooring dolphin and catwalk; timber fenders; sentry and storage buildings; service road; utilities; demolition of one pier.

11. Requirement: Varies.

Project: Modifies Pier Romeo for mooring Auxiliary Repair Dock (ARD-7); improves Pier Sierra to accommodate station service craft.

Requirement: The submarine squadron homeported at Charleston requires additional repair capabilities provided by a floating dry dock. There are not enough dry docks in the area to accommodate the specified repair availabilities (SRA) generated by the Extended Operating Cycle (EOC) concept. The EOC concept extends the period between shipyard visits for submarines from 43 to 70 months. This places additional submarine repair work on squadrons and station's intermediate maintenance forces. Navy's goal is to accomplish all SRAs at the submarines' homeport in the interest of economy and fleet morale. In addition to EOC work, each submarine must be thoroughly inspected in a dry dock annually. Also, a dry dock is required for emergent work to correct cruise damage such as propeller or diving plane repairs. A floating dry dock now homeported in NSB New London, Connecticut, will be moved to Charleston upon completion of this project.

Current situation: Submarines requiring dry dock work must be moved to: (1) Commercial shipyards, which are expensive and create distress to personnel morale; (2) the Naval shipyard, which is already overextended with its assigned long-term overhaul work; or (3) NSB New London, which has its own submarine squadrons to accommodate.

Impact if not provided: At sea operations of submarines will be impaired by virtue of the time required to use Naval or commercial shipyards. Fleet morale will be adversely affected by extending out-of-homeport time.

Additional: An economic analysis has not been prepared as this is an operational necessity. There will be savings realized by not having to use commercial or Naval shipyards or transiting to NSB New London.

FISCAL YEAR 1983 MILITARY CONSTRUCTION PROJECT DATA

1. Component: Navy.
2. Date: May 10, 1982.
3. Installation and location: Shore intermediate maintenance activity, Pearl Harbor, Hawaii.
4. Project title: Intermediate maintenance facility.
5. Program element: 2 44 57 N.
6. Category code: 213.30.
7. Project number: P-242.
8. Project cost: $7,000,000.
9. Cost estimates:

Item	U/M	Quantity	Unit cost	Cost (thousands)
Intermediate maintenance facility	SF	112,800		$5,900
Building	SF	32,000	106.00	(3,400)
Building modernization	SF	80,800	30.00	(2,400)
Built-in equipment	LS			(100)
Supporting facilities				400
Electrical utilities	LS			(100)
Mechanical utilities	LS			(160)
Paving and site improvement, demolition	LS			(140)
Subtotal				6,300
Contingency (5 percent)				320
Total contract cost				6,620
Supervision, inspection, and overhead (5.5 percent)				370
Total request				6,990
Total request (rounded)				7,000
Equipment provided from other appropriations (nonadd)				(7,320)

10. Description of proposed construction: Two-story concrete-frame shop building, concrete floors, precast concrete wall panels, insulated roof; fire protection system, air conditioning, mechanical ventilation shop spaces; buildings modernization; utilities; demolition of one building.

11. Requirement: *192,700* sf. adequate: *2,800* sf. substandard: *99,700* sf.

Project: Provides shore-based, intermediate-level maintenance facilities.

Requirement: Adequate shops, technical library and office space to meet OSHA requirements, with environmental control and efficient plant layout, and in close proximity to the waterfront.

Current situation: Shops are located in World War II, temporary, wooden warehouses, and little can be done to keep out dirt and moisture.

Impact if not provided: Existing conditions will prevail with no capacity to accomplish new workload being brought on by more ships of greater complexity.

Additional: An economic analysis has not been prepared as there is no alternative to meet the requirement.

COMPUTER PROGRAMING OPERATIONS CENTER, NSTL BAY ST. LOUIS, MISS.

Senator STENNIS. Admiral Zobel, I understand that a $7.2 million project for a computer programing operations center at the U.S. Naval Oceanographic Office in Bay St. Louis, Miss., which was in the proposed fiscal year 1983 military construction program was removed at the last minute. Is this correct?

Answer. That is correct.

Senator STENNIS. The pertinent military construction project data form indicates that if the project is not provided the functions to be served "will continue to perform in the present less effective manner to the serious detriment of the Fleet and military readiness will be greatly hampered." If that is true, why was this project deleted?

Answer. The project was deferred by the Office of the Secretary of Defense on the basis that some of the space that is now in use, and to be replaced, is not inadequate. The Navy had reduced the project to a new total of 64,639 SF instead of 74,250 SF, but too late to retain the project in fiscal year 1983.

Senator STENNIS. Will this project be included in next year's Navy military construction program? If not, why not? When will it be included in the Navy's military construction program?

Answer. The project is now included in the tentative fiscal year 1984 Military Construction Program.

Senator STENNIS. What is the current design status of this project?

Answer. The 35 percent design was completed in November 1981. The design will be completed in September 1982.

Senator STENNIS. If funds were made available in the fiscal year 1983 budget, could construction funds for this project be used during that fiscal year?

Answer. With the design being completed in September, 1982, there is every reason to believe the project can be executed with fiscal year 1983 funds.

[Subsequent to the hearing, Senator Robert C. Byrd and Senator Jim Sasser [Tenn.] submitted the following questions to be answered for the hearing record:]

WHEELING NAVAL AND MARINE CORPS RESERVE CENTER

Senator BYRD. If funds were provided in the fiscal year 1983 appropriation bill, how soon could construction be initiated at the Route 2 site?

Answer. This is hard to estimate since a decision has not been made and the design phase is on hold. If a decision were made by the May 1982 timeframe in favor of new construction a design package could be completed which would allow contract award very late in fiscal year 1983.

Senator BYRD. I am informed that design work has already begun on the Route 2 site. Is that correct? Approximately what percent of the design work has been completed to date?

Answer. The actual design of the new construction alternative has not yet commenced. An Architect-Engineer firm, however, has been selected and when a decision is made will proceed to design the selected alternative.

Senator BYRD. How does this cost and the serviceability of this site compare with rehabilitating the existing structure in Wheeling or acquiring and renovating the Marshall Community Hospital?

Answer. We are presently conducting an economic analysis of the costs associated with rehabilitating the existing Naval and Marine Corps Reserve Center, Wheeling, W. Va. Upon completion of this analysis we can then compare this option with the others.

Senator **Byrd**. What would be the estimated cost to initiate construction of the replacement facility at the Route 2 site in fiscal year 1983?

Answer. The estimated cost of new construction at the Route 2 site is $3.4 million.

Senator **Byrd**. The Statement of the Managers accompanying the Conference Report on the fiscal year 1982 Military Construction Appropriation Bill directed the Navy to study alternative sites for relocating the obsolete Wheeling Naval and Marine Corps Reserve Center. That report was received by the Committee early this month. The report indicates that a total of nine sites were identified as possible candidates for relocation of the Reserve Center but that only one site in the general area was deemed to be satisfactory. That site is located on Route 2 adjacent to the West Virginia State Highway Patrol Barracks. Admiral Daniels, did you recommend new construction at the Route 2 site as a replacement for the existing Reserve Center when you transmitted your report to the Secretary of the Navy?

Answer. Of the two alternatives we studied in depth, new construction was the Naval Reserve's recommendation. The Secretary of the Navy, however, was concerned over the narrow focus of the analysis, and prior to his decision, desires a review of other less costly options which will both preserve essential Navy and Marine Corps Reserve training functions and ensure our limited military construction funds are used in the most effective manner.

MILLINGTON NAVAL AIR STATION

Senator **Sasser**. What is provided in the budget request for Millington Naval Air Station?

Answer. The Navy's request for fiscal year 1983 includes an Applied Instruction Building for the station at an estimated cost of $8,400,000.

Senator **Sasser**. Are there other instructional buildings which are deficient for which the design is at a stage which would enable construction during fiscal year 1983?

Answer. The Navy proposed fiscal year 1984 Military Construction program includes two Applied Instruction Buildings for NAS Memphis. Design has been started and both could be constructed in fiscal year 1983 if funds were made available. One is for aviation mechanics (hydraulics) training at $5,100,000; the other is for aviation electricians training at $1,050,000.

Senator **Sasser**. Tell us the priority of the Jet Engine Test Cell which has been requested for the Naval Air Reserve Unit?

Answer. The fiscal year 1983 program has no specific priorities. Priorities are assigned by groupings of projects by fiscal year proposed for the Five Year Defense Plan. The Jet Engine Test Cell is one of twelve priority projects being recommended in the fiscal year 1983 Military Construction, Naval Reserve program.

Senator **Sasser**. As you know our committees on both the House and Senate side have for the past two or three years provided report language directing the Navy to request projects which will continue the Naval Air Station at Millington as a viable and major Naval Reserve Training Center. Three years ago the Congress provided funding to re-pave the major runway in order to assure continued levels of Reserve training on the base. Recently, however, I have been concerned with reports that the present Fleet Logistic Support Squadron VR-53 is in jeopardy and could be moved to another location. The issue as I understand it is this, the Navy plans to replace the obsolete C-118 aircraft at three locations with DC-9's. It is my further understanding that of the six Reserve units in the nation Millington is presently the last priority for receiving DC-9's. Is my information correct and why is it the view of the Navy that Millington should receive DC-9's behind other locations?

Answer. Fleet Logistical Support Squadron Fifty-Three (VR-53) located at NAS Memphis, Tennessee is scheduled to be disestablished on 31 March 1983. The disestablishment action is part of the orderly phase out of the retiring C-118 aircraft. VR-53 is the third of seven C-118 sites to be disestablished. The Navy is currently reviewing an initiative to lease, with an option to purchase, used commercial DC-9 aircraft as a replacement for the C-118's. Affordability and increased aircraft performance precludes a one for one replacement for the C–118 aircraft and, therefore, not all seven C–118 sites would receive used DC–9 aircraft should the lease/purchase initiative come to fruition. A siting plan for used DC–9 aircraft cannot be developed until the number, type and capability of replacement aircraft affordable becomes known.

Senator SASSER. There is concern that if Millington fails to receive DC–9's that approximately 200 Naval Reserve billets could be lost. Is this indeed a possibility?

Answer. Should VR–53 not receive DC–9 replacement aircraft, the 149 Selected Reserve billets would be lost. However, the majority of Reserve personnel currently filling these billets could be absorbed into other Memphis based Reserve units.

Senator SASSER. I would just like to say for the record that I think the Navy would be making a mistake if you fail to place the DS–9's at Millington. It is my understanding the current priorities are at Chicago, Atlanta, and Philadelphia. Millington is a far more superior location for a number of reasons. First, air space in Memphis is not congested and there would be no delays as there are in Chicago and Atlanta. Second, as there is no urban creep toward the Naval Air Station, no special noise abatement procedures would be required. Third, Millington has adequate hangar space for the Reserve squadron. I am told that in Chicago aircraft awaiting routine maintenance often sit around for two weeks because hangar space is unavailable. Fourth, since the cost of living is very low in the Millington area the Navy would save substantial sums of money in personnel cost of living allowances, and because Millington is in a centrally located area travel costs would be substantially less than in some of these other areas. So, I would urge you to take a look at this situation again and see if the Millington facility can be moved up the priority list. I think it would be in the best interest of the Navy as well as taxpayers. Along this line I would ask you to provide me with a detailed report outlining this situation and your plans for reviewing the priorities for replacement of the C–118's.

Answer. The most important factors in site selection are location and demographics. The best site is one closest to the point where the majority of cargo/passenger loads originate or terminate thus minimizing costly, non-productive dead-head (no-load) distances to be traveled. Location along with the number of replacement DC–9 aircraft available and whether they are cargo/passenger convertible or passenger only will determine which of the current C–118 sites will be retained as a DC–9 site.

Senator SASSER. Within the last two weeks the Environmental Protection Agency approved a $4.6 million grant for wastewater treatment construction at the City of Millington. This grant, in addition to another $2 million to be provided by the City of Millington is for the local share of this needed water and sewer project. I note in the justifications that the Navy does not anticipate requesting the Navy's share of this project until fiscal year 1984. I have discussed this situation with Millington officials and I am advised that they have a signed contract with the Navy which will permit construction to proceed this year on schedule although the Navy funds have not been provided. However, it is my understanding that the provisions of the contract provide for the Navy to pay any interest charges during the construction period if Navy funding is not available. So it would appear to me that the Navy share of the project would be increased unless funding is provided prior to fiscal year 1984. Is that correct?

Answer. Yes, that is correct. However, the only increase in cost would be any interest accrued during the construction period and any cost growth for the on-base construction work. The municipal connection fee is a set cost and will not increase.

Senator SASSER. I would like to suggest today that it might be a wise expenditure of funds if we were to authorize and appropriate the $8.2 million for the Navy's share of this project in the fiscal year 1983 appropriation bill rather than wait until fiscal year 1984. While the project will proceed and construction will commerce in August even without the Navy's share of the funds, the cost to the taxpayers will be increased if the Navy's share is not forthcoming, and the $8.2 million project in current fiscal year 1983 dollars would be $8.5 million or some figure such as that if we wait to provide the funding until fiscal year 1984.

Answer. That is correct.

Senator LAXALT. I want to thank all of you for participating. I think it has been a productive and helpful session for the members of the committee. I think we are going to come out of this with a good record for those who were not present. They will be well informed before we have the markup.

So, thank you again. We will see you soon, I am sure.

The subcommittees will stand in recess until 10 a.m. tomorrow when we will hear testimony from the Air Force.

Admiral **Zobel.** Thank you, Senator.

[Whereupon, at 11:06 a.m. the subcommittees adjourned, to reconvene at 10 a.m., Thursday, April 22, 1982.]

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1983

MILITARY CONSTRUCTION CODIFICATION BILL

THURSDAY, APRIL 22, 1982

U.S. Senate,
Subcommittee on Military Construction
of the Committee on Armed Services,
Subcommittee on Military Construction
of the Committee on Appropriations,
Washington, D.C.

The subcommittees met at 10 a.m., in room 212, Russell Senate Office Building, Hon. Strom Thurmond (chairman of the Subcommittee on Military Construction, Committee on Armed Services) presiding.

Present: Senators Thurmond, Goldwater, and Warner.

DEPARTMENT OF DEFENSE

Department of the Air Force

Air National Guard

STATEMENT OF MAJ. GEN. CLIFTON D. WRIGHT, DEPUTY DIRECTOR OF ENGINEERING AND SERVICES, DEPARTMENT OF THE AIR FORCE, ACCOMPANIED BY BRIG. GEN. WESS P. CHAMBERS, DEPUTY DIRECTOR, AIR NATIONAL GUARD; BRIG. GEN. JAMES C. WAHLEITHNER, DEPUTY TO THE CHIEF OF AIR FORCE RESERVE HEADQUARTERS, U.S. AIR FORCE; MICHAEL G. BYRNE, MAJOR, U.S. AIR FORCE

Senator Goldwater [presiding]. The meeting will come to order. I will have to admit that I am not a member of the subcommittee, but we ought to get things started on time and Senator Thurmond, as President pro tem, has to open the Senate, which he is doing at this moment, but he will be right over. I will read the statement of Senator Thurmond into the record:

Prepared Statement of Senator Thurmond

This morning we are continuing with our series of military construction hearings and we will hear from the Air Force. The Air Force has a very large program—nearly double that of either the Army or the Navy. For fiscal year 1983 the Air Force has requested about $2 billion for new military construction projects.

Of special interest to the Committee are the following efforts. The MX missile system in the interim silo basing mode accounts for over $200 million. Construction in support of the space shuttle at Vandenberg Air Force Base continues at nearly $100 million. The facilities to support the Rapid Deployment Force at several bases total more than $280 million in cost. And a new start is proposed on the Combined Space Operations Center at Peterson Air Force Base in Colorado.

As has been our practice, we plan to stay in open session to the extent that we can. We will go into classified session only if necessary after we have accommodated all unclassified matters.

Now in order to expedite these hearings, I am appearing now as a witness on a subject the Air Force, I think, is very well aware of it.

STATEMENT OF HON. BARRY GOLDWATER, A U.S. SENATOR FROM ARIZONA

AUXILIARY AIRFIELD IN SOUTHERN ARIZONA

Senator GOLDWATER. Mr. Chairman, I want to thank you for the opportunity to appear here today to discuss military construction programs of the Air Force.

Specifically, I would like to mention one important construction project which for various reasons has been deferred for some time. That project is the construction of an auxiliary airfield in southern Arizona.

Now most of you are aware that we generate extensive training operations in southern Arizona. We have Air Force students checking out in A–10 aircraft at Davis-Monthan Air Force Base and Air National Guard students training in the A–7 aircraft flying from Tucson International Airport. This is a substantial daily flying load for two airfields in very, very close proximity.

MARANA AIR PARK OVERFLIGHTS

In order to relieve the overflight load over the city of Tucson and the potential traffic conflict with commercial aircraft at Tucson International, the Air Force and the Air National Guard had made arrangements a couple of years ago to make overflights of Marana Air Park. Negotiations to continue these overflights have been sporadic and have broken down recently. Although the overflights there are currently restored, this is simply an interim solution.

Now we need a permanent solution. Marana was approached to consider long-term construction, but Pinal County Air Force officials could not reach an agreement. Subsequently, the Air Force proposed establishment of a strip at three points near Kitt Peak Observatory.

After careful environmental consideration, it was decided to reject this approach, and many of you are aware of the reasons. The Kitt Peak Observatory is the world's biggest observatory, doing studies of the Sun and the black holes. They were afraid that night lighting of an airstrip would cause reflections in their lens, that the vibrations caused by jet aircraft would give them problems. So that was dropped.

After lengthy consideration, it was decided that Libby Army Air Field at Fort Huachuca offered the best prospects for the development. That field would provide a training location for Air Force and Air

National Guard aircraft. It also would offer substantial benefits to the U.S. Army. They need an expanded capacity for their own uses.

Now we are confronted with a problem. The authorizations for fiscal year 1982 included $12.6 million for Marana. Subsequent evolving changes made it appropriate to delete those funds. However, initial engineering design on the Libby Army Air Field site was not completed in time to include that site in the fiscal year 1983 authorization budget request.

My best information indicates that approximately $28 million would be required for this project. That $28 million cannot be reprogramed by the Air National Guard within their accounts for military construction because it encompassed approximately one-fourth of the total Air National Guard military construction budget.

Therefore, I strongly urge my colleagues to incorporate this amount for construction to provide the much-needed developments of an auxiliary airfield for southern Arizona. I have spelled out in brief detail the beneficiaries of this construction and, of course, we can provide more detail if it is needed.

I thank you, Mr. Chairman, for allowing me to use some of your time to discuss this vital project, and let me very quickly review what our problem is so you fellows from the Air Force, if you are not acquainted, will understand the seriousness of it.

When we first established Davis-Monthan Air Force Base many, many years ago, the practicing of ILS was no problem. Overflight was no problem. It was located so far from the city that we never could visualize any danger to the city.

Now the city surrounds Davis-Monthan and when we practice ILS approaches in single-seat aircraft, we always run the danger of engine flameout and the possibility of landing that aircraft in the middle of population. It happened to us a few years ago. While the pilot did a beautiful job of maneuvering his aircraft to the safest point that he could—he bailed out successfully, two civilians were killed.

We spent—the Air Force and the officials at Davis-Monthan and the city—many hours trying to develop a traffic pattern that we could follow for instrument landing, but no matter how we tried it, it came out flying over parts of the city. The first reaction was to move the instrument landing practices to Marana Airfield, which is an old, primary training base about 28 miles west of Phoenix. It would be the ideal site.

Unfortunately, we could not get the people, the supervisors in Pinal County, to understand it, nor could we get the Evergreen Flying Co. too interested in moving off of that rather attractive site.

But, as I say, we came up with another one which we killed because of technical problems and we wound up at Libby. Now I do not know how many of you are acquainted with Libby. I think most of you have been there or seen it. We have a pretty good airstrip there now. It would have to be lengthened and we would have to put in instrument landing equipment. The total cost would be about $28 million and we want to get along with the job because we still have the problem yet of dangerous overflight of the city of Tucson.

We have even heard a request that we move Davis-Monthan from Tucson. As an Arizonian I would be horrified at such a project. So do any of you have any questions on the Libby proposal? I imagine you are all acquainted with it.

General **Wright**. Mr. Chairman, we have with us today Brigadier General Chambers from the Air National Guard, who is, of course, more intimately involved with the Guard operations in Arizona, and he said he had no questions on your proposal.

Senator **Goldwater**. Fine. Well, I am speaking for my colleague, Senator DeConcini, and I know how my congressional colleague, Congressman Udall, who is also a pilot. While we urgently request this money we know it is an unusual request at an unusual time of the year. But it is one of those propositions we almost have to have in order to continue in a safe way the operations at Davis-Monthan.

If you have no further questions, I do not see any new witnesses. [Pause.]

OVERFLIGHT PROBLEM IN TUCSON AREA

General **Chambers**. Mr. Chairman, I would like to make just one comment in regard to the overflight problem in that we do have an overflight problem in the Tucson area that consists of other than just instrument approaches, ILS's, because we do have the transition program. But we do check the new students or the new pilots out in that airplane. So there is a lot of traffic pattern work that is required in addition to the instrument landing. So we do a considerable amount of work over the city as it stands at the present time.

Senator **Goldwater**. I am glad you brought that up for the record, General, because I forgot it. The Guard operates out of Tucson International and they do cause quite a problem in international and domestic travel by takeoffs and landings. At times it conflicts with the movement of our own air wings. That will be in the record.

General **Chambers**. Thank you, sir.

Senator **Goldwater**. I think General Wright has an opening statement and you may present that in any way you care to.

General Wright, go ahead.

Air Force

STATEMENT OF MAJ. GEN. CLIFTON D. WRIGHT, DEPUTY DIRECTOR OF ENGINEERING AND SERVICES, DEPARTMENT OF THE AIR FORCE

PREPARED STATEMENT

General **Wright**. Mr. Chairman, thank you. We are pleased to present to you our program this morning—the total Air Force program. I have with me today representatives of the Air National Guard and the Air Force Reserve to present brief statements and be prepared to answer any questions along the lines of those programs.

I am prepared to provide the program highlights of the regular Air Force program and with your permission I would like to submit my complete statement for the record and briefly summarize our program.

Senator **Goldwater**. It will be done.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. CLIFTON D. WRIGHT

DEPUTY DIRECTOR OF ENGINEERING AND SERVICES

DEPARTMENT OF THE AIR FORCE

INTRODUCTION

Mr. Chairman and Members of the Committees,

We are pleased to appear before you to present, for your consideration, the FY 83 Air Force construction budget.

Our appropriation request this year, including family housing, totals approximately $3.1 billion. The $2.1 billion MCP is designed to sustain programs previously endorsed by your committees, introduces several new initiatives, and completes three major program initiatives. Our $1 billion family housing program, now a part of Title III, continues to emphasize maintenance backlog reduction and improvements.

Our authorization request is $200.7 million less than the appropriation because of permanent authorizations (planning and design and minor land acquisition) as well as two projects (Aeropropulsion System Test Facility and NORAD Power Upgrade) authorized in prior years but not funded. The authorization and appropriation requests for the family housing budget are identical.

Before we address the particular questions and concerns of the Committees, we would like to present a brief overview of our Military Construction and Family Housing budget, identifying the program we consider the most significant. We will look first at the $2.1 billion Military Construction Program.

SPACE TRANSPORTATION SYSTEM

This is the fifth year we are requesting construction funds in support of the space shuttle program. Over the past four years, this committee has authorized $427 million for projects at Vandenberg AFB, Port Hueneme, the Johnson Space Center, Goddard Space Flight Center and Cape Canaveral.

Our request for $82.2 million provides essential shuttle launch and support facilities at Vandenberg and Cape Canaveral. The construction is geared to the October 1985 initial operational capability (IOC) at Vandenberg. We will need additional construction funds in the FY84-86 programs and at this point feel confident our shuttle MILCON program will be essentially completed. The total Air Force construction cost for the space shuttle, as we see it now, is estimated to be approximately $628 million.

M-X

This is the fourth year we have come before the committee for construction funds to support the M-X program. In FY 80 the Congress provided $57 million to construct test facilities at Vandenberg AFB and $5.4 million was approved for engine test cell work at the Arnold Engineering Development Center in Tennessee. In FY 81, $17 million was provided for more Vandenberg test facilities. Construction of the facilities has gone well and is nearly complete. Last year Congress approved $11 million for the purchase of the San Bernadino County Complex near Norton AFB to be used as an M-X management support complex. This building will house the Air Force Ballistic Missile Office. We anticipate occupancy in mid-1982.

This year we are requesting $207 million for M-X related construction, including projects in support of the Vandenberg AFB flight test program and to begin work on some logistics support, weapon systems support, and training facilities. Our total construction request for operational and additional support facilities will be phased over the next several years.

In addition to the $207 million for construction, we are also requesting $29 million for design of M-X facilities planned for the FY 84 and 85 MILCON programs.

This will allow us to come before this committee next year with designs greater than 35 percent complete.

Our objective is to have ten missiles operational by late 1986 and 40 operational by end of 1987. To achieve this objective several key milestones must be met. First, the six candidate Minuteman locations must be screened using the operational effectiveness criteria. We expect this to be completed in the Spring of 1982. The base or bases which pass the operational test will then be assessed for environmental effects. If the environmental impacts are minimal, we anticipate the environmental impact analysis process will be completed by this fall with a siting decision shortly thereafter. However, if the impacts appear significant an environmental impact statement will be prepared which will probably extend the environmental impact analysis process into 1983 when specific siting design could be initiated.

We will soon start design of the M-X facilities. Mindful of Congressional guidance, for deployment area projects, site specific design will be held abeyance until after the environmental impact analysis process is completed, a site decision made, and all other Congressional direction is complied with. To date no design in the FY 1983 M-X program has been accomplished because of the program redirection. However, award of the first design contract is scheduled within the next several weeks with the remainder to be underway later this year. With the continued fine support from the Army Corps of Engineers and a completion of the environmental impact analysis process we believe we can complete the contracting for construction of all FY 83 facilities by late 1983.

We fully intend to comply with the Congressionally directed Dec 86 IOC by undertaking an aggressive and well managed design and construction program. Your continued support is essential.

READINESS

We are again asking for funds to support not only quality of life projects for our people in Europe and the Pacific but also to construct operational and logistics support facilities vital to our overall readiness posture. You are well aware of the linkage between people and facilities when we talk about readiness and the will to win. Our people and our equipment must be provided for and made ready to fight in peacetime so when they are called upon to perform in wartime they are ready.

In Europe, this year's budget continues to support various initiatives previously reviewed by the Congress. $85.4 million for GLCM facilities will provide for the second increment of support construction at RAF Greenham Common and Comiso Air Base on Sicily. It will also build the first of two increments of support in the third country. Our main task is to build these facilities as soon as possible in order to support both the initial operational capabilities and the orderly buildup of the system in each country. The missile system is scheduled to deploy in increments as the units are produced and we have scheduled our construction program in phases to generate an orderly build up of facilities over a five year period. This will allow us to have the necessary construction completed when the people and systems deploy. The type of buildings required run the full spectrum of air base facilities from dormitories, warehouses, and commissaries to administration, communications and utilities. We are requesting $28.6 million to construct minimum essential facilities at several COBs. This is the sixth year we have come to the Congress for construction funds to support our augmenting forces for Europe. This year's request at seven active allied bases provide a mix of munitions and aircraft fuel storage. Collocated Operating Base (COB) concept is designed to support sortie generation and sustainability by reducing TACAIR vulnerability through dispersal and providing a war-fighting capability at each location while taking advantage of excess capability at our allied bases. These minimum essential facilities are the most critical facilities required to generate combat sorties. This request is in concert with a SHAPE approved package of $30 million in Slice 33 of the NATO Infrastructure program to construct additional minimum essential facilities. We believe this two pronged approach, if both fund sources can be sustained, will complete the MEF programs in about six years. We need the full support of both committees to get these projects accomplished.

In the Pacific we are again building on previously supported readiness initiatives. We are moving toward completing the aircraft shelter program and installing the doors on shelters built in earlier programs. We are continuing to build up our aircraft and ground fuel storage capacity and making changes in our runway/taxiway network to maximize post attack launch capability. These programs have moved smoothly and we ask your continued endorsement.

In Southwest Asia, the Rapid Deployment Joint Task Force (RDJTF) program continues to crystallize. Work is well underway on many of the projects approved last year. This year's $278 million request represents a sizeable increment to keep the momentum. You may recall from last year's testimony, this program is designed to provide enroute airlift support, rear area staging and forward operating bases for contingency forces. At Lajes Field, Azores, we have identified $55.7 million, mostly in added fuel storage, to support this key enroute base. We need this added fuel storage to insure sufficient airlift sorties can be generated in a Southwest Asia contingency. At Ras Banas Egypt, our budget includes $125.6 million for the balance of the airfield pavements and other construction in support of air operations. In Oman we are requesting $60.4 million primarily for continuation of FY82 approved projects. Work includes fuel storage, airfield pavements, storage and utilities. At Diego Garcia, $36.6 million is budgeted for a runway overlay, warehousing, and maintenance facility. At various other locations, we have programmed $45 million for contingency facilities to support worldwide contingency operations. Finally, at MacDill AFB, Florida, we have requested $2.3 million in support of the RDJTF and REDCOM headquarters mission.

This year we are requesting $166 million to support new and expanded missions, realignments, and weapon system change-outs in the U.S. and overseas. We are planning the first of a two-phased construction effort to build a Consolidated Space Operations Center near Peterson Field, Colorado. We are building more classrooms to expand our intelligence training efforts at both Goodfellow AFB, Texas, and Lowry AFB, Colorado. We are initiating the first phase of a strategic training range upgrade and relocation effort, and finally, we are continuing to beddown additional F-15, F-16, and EF-111 aircraft as they are brought into the inventory.

RADARS

We are requesting $43.6 million to complete the Minimally Attended Radar program. This is the second of two phases designed to upgrade a total of twelve radar sites in Alaska. This year you will also see our first submission for projects to support an Over-The-Horizon radar network. This system will significantly improve our detection capability in the continental U.S. against manned aircraft and cruise missiles. Work will begin at Bangor, Maine. Future sites on the West coast and in the South are being planned.

MEDICAL

This program is designed to provide comprehensive health care for our people stationed throughout the world. To accommodate increasing outpatient workloads and keep pace with technological advancements we have sized a long-range medical facilities program designed to meet these objectives. This year's $100 million program upgrades, replaces, or adds to facilities at seven locations in the US and overseas.

UNACCOMPANIED PERSONNEL HOUSING

This year's program is roughly double the size of last year's request. Our $130 million upgrade program is designed to provide more privacy, and improve safety, and aesthetics while maintaining standards consistent with DOD policy. There are approximately 9900 spaces planned for improvements this year at 34 locations. Your support has been truly outstanding in the past few years, and the Air Force is grateful. Too many enlisted people are still living in substandard facilities throughout the Air Force. I respectfully urge your continued support.

COMMUNITY

This program also reflects substantial growth over FY 82 levels. We have nearly doubled our investment in this area, targeting over $48 million to support such projects as dining halls, recreation, education, and community centers, gymnasiums, and child care centers. All these investments have real payoffs for our airmen and officers, their families and represent our continuing commitment to improving the quality of life for our people.

UPGRADING THE WORKPLACE

In addition to improving living conditions, we are also accelerating a program designed to modernize or replace our work places. We plan to spend nearly $400 million to get after this growing backlog of work.

Our total modernization program, focusing on where our people live and work, has three basic objectives: to increase productivity, to retain personnel, and to reduce operations costs. Our modernization programs represent 41% of our authorization request this year, up from 37% a year ago. We are proud of this year's program and can state without reservation the Air Force leadership has put projects in these areas right up top where they compete with aircraft and missiles. Our $770 million modernization program confirms they compete well. We anticipate even more next year.

ENERGY

This year's budget reflects our continuing effort to conserve energy through facility improvements. Our energy conservation investment program, project designs, and research efforts are all focused on providing cost effective, energy efficient facilities. The energy conservation investment program continues to be the most significant contributor to our reduced consumption of facility energy. This program, along with management actions, awareness programs, and operations and maintenance investments have helped us achieve a 14% saving over the FY 1975 baseline and we are projecting a 20% reduction by FY 1985. We are holding firm on this program and continue to press for further ways to save energy through project design and management actions.

ENVIRONMENTAL PROTECTION

We have requested $19 million to continue our effort to support the more stringent air and water quality standards promulgated by EPA and the states. This year's $4.2 million air pollution control program is dedicated to controlling aircraft fuel vapor emissions at six installations in California and may be the precursor of similar efforts in the southern tier states. Included in our $14.9 million water pollution control program are $5.3 million to assist in the upgrade of the Jacksonville, Arkansas, Municipal Wastewater Treatment System which supports Little Rock AFB and to connect Tyndall AFB, Florida, to the Bay County treatment works; $8.1 million to improve the capability of existing sewage treatment facilities at K.I Sawyer and Wurtsmith AFBs, Michigan, and Loring AFB, Maine; and $1.5 million to add new sludge treatment to the current Kelly AFB, Texas, industrial waste treatment facility.

With the increased awareness of the potential hazards associated with the disposal of toxic and hazardous substances, we anticipate future programs will includes funds for such purposes.

By its nature, the environmental protection program must be phased over several years as criteria and standards are developed. Although our budget for these programs has been limited, we have kept pace with the incremental requirements, and we plan to continue our efforts in the future until all Air Force locations comply with the standards.

OCCUPATIONAL SAFETY AND HEALTH CONSTRUCTION

We are requesting $14.9 million for continuation of this program specifically developed to provide a safe and healthy working environment for our people. Surveys have identified additional deficiencies and we will continue to define and validate specific requirements.

FAMILY HOUSING
PROGRAM HIGHLIGHTS

Underfunding of the military family housing account over the past few years left the Air Force with huge backlogs of maintenance, improvements, and new construction. These backlogs translate into less than desirable living conditions for our people. The FY82 and FY83 budgets add enough dollars to begin reducing these maintenance and improvement backlogs. Our five year investment strategy is designed toward eliminating improvement backlogs and reducing maintenance backlogs to acceptable levels by FY89. During the same period we have planned for a 50% reduction in our new housing deficit.

The program we are proposing has been carefully developed and reviewed. This housing budget has successfully competed with all other Air Force requirements during budget development. The committee may be sure this program represents the Air Force's highest priority construction requirements.

NEW CONSTRUCTION

Six bases are included in this year's $100,550,000 budget request for 946 new housing units in the United States. Projects are planned for Ft. MacArthur, San Pedro, California (200 units); MacDill AFB, St. Petersburg, Florida (26 units); and Powell, Wyoming (50 units). Overseas, we are requesting 200 units for Incirlik Common Defense Installation, Turkey; 300 units at RAF Bentwaters and 170 units at RAF Greenham Common, both in the United Kingdom.

IMPROVEMENTS

This $76.5 million portion of the budget represents our continuing effort to upgrade our aging inventories. Major improvement projects totalling $37.4 million are planned for Holloman and Kirkland AFBs in New Mexico; Loring AFB, Maine; F.E. Warren AFB in Wyoming; Ramstein AB in Germany; RAFs Lakenheath and Upper Heyford in the United Kingdom. Additionally, smaller, less extensive improvements totalling $37.1 million are planned for other installations worldwide to satisfy energy conservation and overall modernization objectives.

OPERATIONS & MAINTENANCE

Our $357 million maintenance program includes about $100 million to reduce the backlog. This represents a significant and necessary improvement over FY 82 levels. While operations costs have increased above CONUS inflation rates, these increases are due primarily to overseas inflation, rising energy costs, and larger inventories.

LEASING

Our leasing budget this year is $54 million. While we are reducing CONUS leases, our overseas lease programs in Europe have increased over FY82 levels. This is consistent with quality of life objectives expressed by the Air Force leadership and endorsed by the Congress over the past several years.

SUMMARY

In conclusion, we wish to assure the Committees this budget represents an appropriate balance between our mission, enhancing the quality of life for our people, and providing a contribution to the National energy and environmental objectives.

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1. Table I Major Command Summary
2. Table II Force Program Summary
3. Table III Category Summary
4. Table IV Family Housing Summary

TABLE 1

DEPARTMENT OF THE AIR FORCE

MAJOR COMMAND SUMMARY

FOR THE ACTIVE FORCE

FY 1983 MILITARY CONSTRUCTION PROGRAM

SECTION 301

COMMAND

INSIDE THE UNITED STATES	(Auth) ($000)	(Approp) ($000)
AIR FORCE LOGISTICS COMMAND	79,051	79,051
AIR FORCE SYSTEMS COMMAND	120,970	120,970
AIR TRAINING COMMAND	104,350	104,350
ALASKAN AIR COMMAND	58,640	58,640
MILITARY AIRLIFT COMMAND	68,930	68,930
NATIONAL MILITARY COMMAND CENTER	3,300	3,300
NORTH AMERICAN AEROSPACE DEFENSE COMMAND	12,900	12,900
PACIFIC AIR FORCES	410	410
STRATEGIC AIR COMMAND	406,886	406,886
TACTICAL AIR COMMAND	107,902	107,902
UNITED STATES AIR FORCE ACADEMY	9,130	9,130
VARIOUS LOCATIONS-M-X	207,000	207,000
AIR NATIONAL GUARD	4,540	4,450
AIR FORCE RESERVE	2,700	2,700
SPECIAL FACILITIES	589	589
TOTAL INSIDE THE UNITED STATES	$1,187,298	$1.187,298
OUTSIDE THE UNITED STATES		
MILITARY AIRLIFT COMMAND	66,869	66,869
PACIFIC AIR FORCES	167,636	167,636
STRATEGIC AIR COMMAND	2,440	2,440
TACTICAL AIR COMMAND	48,600	48,600
UNITED STATES AIR FORCES IN EUROPE	443,254	443,254
TOTAL OUTSIDE THE UNITED STATES	$ 728,799	$728,799
WORLDWIDE		
PLANNING AND DESIGN	147,453	147,453
MINOR CONSTRUCTION	18,000	18,000
MINOR LAND	250	250
TOTAL WORLDWIDE	165,703	165,703
TOTAL	$2,081,800	$2,081,800

TABLE II

DEPARTMENT OF THE AIR FORCE

FY 1983 MILITARY CONSTRUCTION PROGRAM

ACTIVE FORCES

SUMMARY BY FORCE PROGRAM

	(AUTH) ($000)	(APPROP) ($000)
STRATEGIC FORCES	656,674	667,674
GENERAL PURPOSE FORCES	600,956	600,956
INTELLGENCE AND COMMUNICATIONS	115,010	115,010
AIRLIFT	136,700	136,700
GUARD AND RESERVE FORCES	5,040	5,040
RESEARCH AND DEVELOPMENT	63,390	105,390
CENTRAL SUPPLY AND MAINTENANCE	76,095	76,095
TRAINING, MEDICAL AND OTHER GENERAL PERSONNEL ACTIVITIES	207,756	207,756
ADMINISTRATION AND ASSOCIATED ACTIVITIES	19,476	167,179
TOTAL	1,881,097	2,081,800

TABLE III

DEPARTMENT OF THE AIR FORCE

FY 1983 MILITARY CONSTRUCTION PROGRAM

ACTIVE FORCES

PROGRAM BY CONSTRUCTION CATEGORIES

	(Approp) ($000)	(Auth) ($000)
OPERATIONAL	919,970	919,970
TRAINING	34,650	34,650
MAINTENANCE	118,320	118,320
RESEARCH, DEVELOPMENT, AND TEST	171,690	129,690
SUPPLY	45,560	45,560
HOSPITAL AND MEDICAL	100,376	100,376
ADMINISTRATION	62,328	62,328
PERSONNEL HOUSING	134,000	134,000
COMMUNITY	54,906	54,906
UTILITIES	187,305	176,305
POLLUTION	19,080	19,080
ENERGY	59,520	59,520
REAL ESTATE	8,392	8,392
SUPPORT	165,703	18,000
TOTAL	2,081,800	$1,881,097

TABLE IV

FAMILY HOUSING SUMMARY

		($000)
New Construction		100,550
Ft. MacArthur, CA. (200 units)	20,000	
MacDill AFB, FL (26 units)	3,200	
Powell, WY. (50 units)	3,850	
Incirlik, TU. (200 units)	20,000	
RAF Bentwaters (300 units)	35,000	
RAF Greenham Common (170 units)	18,500	
Improvements Various Locations (includes $17million for energy conservation and $2 mil for minor construction)		76,500
Planning & Design		2,500
Operations & Maintenance (includes a $6,150,000 reimbursements)		691,698
Leasing		53,723
Debt Payment		64,114
Authorization & Appropriation Total		$989,085

BUDGET REQUEST

General **Wright**. Our appropriation request this year, including family housing, totals about $3.1 billion, as you stated. Our authorization request this year is $200.7 million less. Last year you authorized the full amount requested to complete ASTF and the NORAD command post upgrade. Planning, design, and minor land acquisition were permanent acquisitions.

This is the fifth year we are requesting construction funds for the Space Shuttle program. Over the past 4 years, $427 million has been authorized. These are for projects at Vandenberg Air Force Base, Port Hueneme, the Johnson Space Center, Goddard Space Flight Center, and Cape Canaveral.

This year we are seeking $82.2 million to continue work on Space Shuttle facilities at Vandenberg. Our original submission this year requested $26.5 million for launch pad and facility modifications, $15.7 million for security modifications at Kennedy Space Center, and $40 million for the Shuttle assembly building at Vandenberg.

Subsequent to submission of this program we learned that several items to be modified on the launch pad were time-sensitive and could not wait until enactment of the 1983 bill. We, therefore, submitted in February 1982 a $17.4 million cost variation and reprograming request that was approved by Congress on March 9, 1982. That action reduced our 1983 requirement for that portion of the request to $14.8 million.

Senator **Goldwater**. Thank you, gentlemen.

Senator **Thurmond** [presiding]. All right, you may proceed, General.

General **Wright**. Thank you, Mr. Chairman. We started earlier and I am working through my opening statement that has been provided to you.

Senator **Thurmond**. We have put your entire statement in the record, and you can just give the highlights.

SPACE SHUTTLE FACILITIES AT VANDENBERG

General **Wright**. That is what I am doing, sir. I was talking about the construction of facilities for the Space Shuttle at Vandenberg and as a result of revisions to the 1983 submittal we were able to recoup the Port Hueneme solid rocket booster disassembly facility which we used as a source of funds for the $17.4 million reprograming earlier this year.

We, therefore, seek your approval for extension of the 1981 authorization for Port Hueneme and approval of the revised program and a 1391 will be submitted for the record.

MX PROGRAM

Mr. Chairman, this is the fourth year we have come before the committee for construction funds to support the MX program. In fiscal year 1980 the Congress provided $85 million to construct test facilities at Vandenberg and $5.4 million was approved for engine test cell work at the Arnold Engineering Development Center in Tennessee. In fiscal 1981, $17 million was provided for more Vandenberg test facilities. Construction of the facilities has gone well and is nearly complete.

As I mentioned earlier, Congress approved $11 million last year for the purchase of the San Bernadino County Complex near North Air Force Base to be used as an MX management support complex. This purchase has been consummated.

This year we are requesting $207 million for MX-related construction, including projects in support of the Vandenberg flight test program and to begin work on some logistic support and weapons systems support facilities. Our total construction request for operational and additional support facilities will be phased over the next several years. We have not started design on any items before the Congress in this program this year.

OPERATIONAL AND LOGISTIC SUPPORT FACILITIES

Mr. Chairman, we are again seeking funds to construct operational and logistic support facilities vital to our overall readiness posture. This year's submission includes $273 million for construction in Europe; $85.4 million is for ground-launched cruise missile facilities and this will provide for the second increment of support construction at RAF Greenham Common and Comiso Air Base, Sicily. It will also build the first of two increments of support facilities in the third country.

The missile system is scheduled to deploy in increments as the units are produced and we have scheduled our construction accordingly. This will allow us to have the necessary construction completed when the people and systems deploy.

MINIMUM ESSENTIAL FACILITIES

As we outlined in the briefing last evening, Mr. Chairman, we are requesting $28.6 million to construct minimum essential facilities at several of our colocated operating bases. As you know, Mr. Chairman, this is the highest priority requirement in the CINC-USAFE program. This year's request at seven active allied bases provide a mix of munitions and aircraft fuel storage.

This request is in concert with a SHAPE-approved package of $30 million in slice 33 of the NATO infrastructure program; $21.8 million of that is for additional minimum essential facilities. We want to pursue a program to jointly fund minimum essential facilities. We believe this two-pronged approach will complete the minimum essential facilities program over the next several years.

I would like to caution the committee, however, that we may see something less in slices 34 and 35 because of severe funding constraints in the current NATO slice group. We are confident, however, because of the high priority now placed on the minimum essential facilities program that there will be some support even during these lean years for the program. We fully expect it to pick up at a much higher level beginning in slice 36.

PACIFIC AREA CONSTRUCTION PROGRAMS

In the Pacific, we are again building on previously supported readiness initiatives. We are moving toward completing the aircraft shelter program and installing the doors on shelters built in earlier programs. We are continuing to build up our aircraft and ground fuel storage capacity and making changes in our runway/taxiway network to maximize postattack launch capability. These programs have moved smoothly and we ask for continued endorsement.

SOUTHWEST ASIA

In Southwest Asia, the Rapid Deployment Joint Task Force program continues to crystallize. Work is well underway on many of the projects approved last year. This year's $278 million request represents a sizable increment to keep the momentum. This program is designed to provide en route airlift support, rear area staging and forward operating bases for contingency forces.

DIEGO GARCIA

Construction at Diego Garcia will support air operations and other missions. At Lajes in the Azores it will increase our capability to support airlift. In Egypt it will support air operations as well as provide rear staging for the Army. In Oman, construction will support tactical air operations. At MacDill Air Force Base, Fla., we have requested $2.3 million in support of the Rapid Deployment Joint Task Force and Redcom headquarters mission.

This year we are requesting $166 million to support new and expanded missions, realinements and weapons systems change-outs in the United States and overseas. We are planning the first of a two-phased construction effort to build a Consolidated Space Operations Center near Peterson Field in Colorado, and we have a short briefing on that that we would be prepared to present a little bit later in the hearing.

INTELLIGENCE TRAINING FACILITIES

We are building more classrooms to expand our intelligence training efforts at both Goodfellow Air Force Base, Tex., and Lowry Air Force Base, Colo. We are initiating the first phase of a strategic training range upgrade and relocation training effort. And, finally, we are continuing to bed down additional F-15, F-16, and EF-111 aircraft as they are brought into the inventory.

MINIMALLY ATTENDED RADAR PROGRAM

We are requesting $43.6 million to complete the minimally attended radar program. This is the second of two phases designed to upgrade a total of 12 radar sites in Alaska. This year is also our first submission for projects to support an over-the-horizon radar network. This system will significantly improve our detection capability in the continental United States against manned aircraft and cruise missiles. The initial site will be in Maine.

MEDICAL FACILITIES PROGRAM

To accommodate increased outpatient workloads and keep pace with technological advancements, we have put together a long-range medical facilities program. As part of this program this year's $100 million request upgrades, replaces or adds to facilities at seven locations in the United States and overseas.

DORMITORY UPGRADE PROGRAM

We have a $130 million enlisted dormitory upgrade program designed to provide more privacy and enhance the livability of quarters for our single enlisted personnel. There are approximately 9,900 spaces to be approved this year at 34 locations. Your support has been truly outstanding in the past few years, and I respectfully urge your continued help.

COMMUNITY PROJECTS

We have targeted over $48 million this year to support community projects such as dining halls, recreation, education and community centers, gymnasiums and child care centers. These are investments that have real payoffs for our people and their families and represent our continuing commitment to improving the quality of life for Air Force people.

In addition to improving living conditions, we are also accelerating our program designed to modernize and upgrade the workplace. We plan to spend nearly $400 million to satisfy this requirement. This includes such things as aircraft maintenance shops, refueling vehicle shops and office areas. Our total modernization program focusing on where our people live and work has three basic objectives—to increase productivity, to retain personnel and to reduce operating costs.

We have nearly $60 million in our energy conservation program this year. We have achieved a 14-percent saving in consumption over 1975 and are confident we will reach our 20-percent goal by 1985. We are also requesting $34 million this year for pollution abatement and occupational safety and health-related projects.

FAMILY HOUSING

I will move now to the family housing area, Mr. Chairman. This year family housing is being submitted as an Air Force program.

It has been out for several years and handled as a separate account by OSD. Underfunding in the military family account over the past few years left the Air Force with huge backlogs of maintenance, improvements, and new construction. The fiscal 1982 and 1983 budgets add enough dollars to begin reducing the maintenance and improvements backlogs.

Our 5-year investment strategy is designed toward eliminating improvement backlogs and reducing maintenance backlogs to acceptable levels by fiscal year 1989. During the same period we hope to construct enough new housing units to satisfy about half of the deficit.

This year we are seeking $100 million to construct 946 new housing units in the United States and overseas. We plan 200 units at Fort MacArthur near Los Angeles, 26 units at MacDill Air Force Base, Fla., and 50 units at Powell, Wyo. Overseas, we are requesting 200 units for Incirlik, Turkey; 300 units at RAF Bentwaters and 170 units at RAF Greenham Commons, both in the United Kingdom.

We budgeted $76.5 million to upgrade many of our aging family housing units. We have $357 million in the program for maintenance projects. About $100 million of this goes toward reducing the backlog of maintenance and repair.

We are asking for $54 million this year for family housing leases. While we are reducing CONUS leases, our overseas lease programs in Europe have increased over fiscal 1982 levels. This is consistent with quality-of-life objectives expressed by the Air Force leadership and endorsed by the Congress over the past several years.

In summary, Mr. Chairman, we have a balanced program that comes to grips with the realities of meeting the needs of our people as well as supporting national and Air Force readiness goals worldwide. This concludes my overview, sir, and Brigadier General Chambers is now prepared to provide an overview of the Air National Guard program.

Air National Guard

STATEMENT OF BRIG. GEN. WESS P. CHAMBERS, DEPUTY DIRECTOR, AIR NATIONAL GUARD

PREPARED STATEMENT OF GENERAL CHAMBERS

Senator Thurmond. General Chambers, we will be glad to place your statement in the record, with no objection, and have you just summarize briefly.

[The prepared statement of General Chambers follows:]

PREPARED STATEMENT OF BRIG. GEN. WESS P. CHAMBERS

DEPUTY DIRECTOR

AIR NATIONAL GUARD

OVERVIEW

Introduction:

Mr. Chairman and members of the committees, I am pleased and honored to appear before you with the Air National Guard Military Construction Request for FY 1983. The projects in this request will satisfy the majority of the Air National Guard's most urgent facility requirements for the coming year. Each project is essential to the continuing modernization of the Air National Guard as an integral part of the Total Force.

Modernization:

The continued strong support of the Active Air Force is permitting us to replace older, less capable aircraft with more modern and sophisticated weapon systems.

In FY 1982, we have already converted OA-37 and F-105 units to A-10s and A-7s respectively and upgraded two C-130 units to later E and H models. Still pending is the conversion of our only EB-57 unit to F-4s and the replacement of our last two F-101 units with F-4s. In FY 1983, we will receive our first F-16s by converting an A-7 unit to this modern weapon system. Other modernization efforts include the conversion of 0-2 and F-105 units to F-4s. This will complete the retirement of the F-105 from the ANG. We also plan to convert an RF-4C unit to F-4s and increase the PAA for an RF-4C unit concurrent with the establishment of a replacement training unit for ANG reconnaisance assets. An A-7 unit will also increase its PAA from 18 to 24 aircraft. These are the types of actions that drive our requirements for military construction funds.

As a result of these concerted modernization efforts, Air National Guard flying units make a substantial contribution to the total Air Force combat capability and will fulfill a large portion of force commitment during a serious crisis. In FY 83, the Air National Guard will possess 66 percent of the total Air Force Air Defense Interceptor forces; 54 percent of Tactical Reconnaissance forces; 32 percent of Tactical Airlift forces; 26 percent of Tactical Fighter forces; 17 percent of the Aerial Refueling forces; 14 percent of the Rescue and Recovery forces; 25 percent of Electronic Combat Forces;

and 32 percent of Tactical Air Support forces. In addition, five flying units are active members of our nation's Rapid Deployment Joint Force (RDJTF).

CURRENT STATUS

Facilities:

Facilities that meet present day needs of a highly sophisticated and mobile Air Force are essential to continued Air National Guard combat readiness and success in our Total Force role. The facilities necessary for conversion to new weapon systems, for the most part, have been made available through your past support of our annual Military Construction Programs. However, the Air National Guard physical plant, which provides for operations, training, mobilization, maintenance, and support remains deficient. A portion of the Air National Guard is still functioning in inadequate or obsolete facilities. If facility deficiencies remain at the current level, reduced weapon system reliability, impaired recruiting and retention of personnel, and restrictions in training will occur, severely impacting the ability of the Air National Guard to sustain its current high combat readiness level.

Backlog:

Longstanding facility requirements make up much of the Air National Guard construction backlog. The estimated end FY 1982 construction backlog of $490 million reported last year has grown to $574 million. This significant increase is due to: a requirement to construct an auxillary airfield in southern Arizona, identification of additional facility requirements and growth due to inflation. These new requirements resulted from aircraft conversions, unit relocations, and continued identification and reporting of facility deficiencies. The backlog, after execution of the FY 1983 construction items, will be $494 million without considering the impact of inflation or new projects identified during FY 1983.

Progress on Prior Year Program:

The FY 1981 program is progressing very well. Of the FY 1981 authorization of $80.0 million, 95 percent of $76.0 million, is cleared or under construction. Due to improved programming techniques and a favorable bidding climate during FY 1981, the cost saving trend that developed in FY 1980 has continued throughout FY 1981. The savings have been used, via approved reprogramming within the flexibility allowed by lump sum authorization and appropriation procedures, to accelerate accomplishment of nineteen urgently required projects. The first and second increments of the FY 1982 program have been submitted for congressional clearance with a combined value of $71.9

million, or about 78 percent of the program. A third increment is being prepared for clearance at this time.

MILITARY CONSTRUCTION AUTHORIZATION/APPROPRIATION

FY 1983 Request:

As an active partner in the Total Air Force, our facility requirements have increased each year with the growth of Air National Guard missions. Realistic annual funding of the Air National Guard Military Construction Program request is necessary to satisfy the increase in facility needs to meet this mission growth.

The Air National Guard Authorization Request for the FY 1983 Military Construction Program is $89.8 million. The Appropriation Request is $106.8 million and includes the $89.8 million for major construction, $9 million for minor construction and $8 million for planning and design. The program is composed of 67 projects at 43 locations in 33 States/Territories and provides direct support of weapon system conversions, equipment modernizations, and unit relocations. Each project incorporates energy saving designs, equipment and materials.

Continuation of Past Procedures:

The Air National Guard has been able to respond favorably and rapidly to vital weapon system modifications and conversions, including unexpected program revisions through your interest and support of our Military Construction Program and the flexibility you have permitted us through lump sum authorization and appropriation. We strongly desire to preserve this privilege of being able to satisfy urgent, unanticipated requirements. Only absolutely essential changes in the Air National Guard program will be requested.

With costs continuing to rise, we find it increasingly beneficial to use the services of the United States Property and Fiscal Officers in each State to provide project design, procurement, and construction management of Air National Guard projects. An integral but detached part of the National Guard Bureau, these officers in each State provide highly efficient and cost effective support that is consistently responsive to our needs. We will continue to use the services of the Army Corps of Engineers or the Navy Facilities Engineering Command in those instances where the scope of a requirement or its proximity to one of these agencies dictates. With your concurrence, we will follow these successful procedures again this year.

SUMMARY

Committee Support:

Your committees have provided military construction that has been highly responsive to Air National Guard requirements. Recognition and support of these requirements, and the continued privilege of the lump sum system of authorization and appropriation, have substantially assisted us in rapidly achieving unit combat readiness, and in maintaining the high state of overall readiness which has become the hallmark of the Air National Guard.

Conclusion:

Mr. Chairman, this concludes my statement in behalf of the Air National Guard fiscal year 1983 Military Construction Request. Your continuing interest and support to satisfy our growing needs is sincerely appreciated.

General **Chambers.** Thank you very much, Mr. Chairman. It is an honor for me to appear before you today with the Air National Guard military construction program request.

The projects in our fiscal 1983 request will satisfy the majority of the Air National Guard's most urgent facility requirements. Each project is essential to the continuing modernization of the Air National Guard as an integral part of the total Air Force.

The Air National Guard continues to provide a significant part of the Air Force total combat capability in the areas of air defense, tactical reconnaissance, tactical airlift, tactical fighter, communications, and tactical air support forces. In addition, five Air National Guard flying units and five combat communication units are active members of the Rapid Deployment Joint Task Force.

Facilities to meet present-day needs of the highly sophisticated mobile Air Force are essential to continued Air National Guard combat readiness and success in our total force role.

The facilities necessary for conversion to new weapons systems have, for the most part, been made available through our annual military construction programs. However, a substantial portion of the Air National Guard facilities are still inadequate or obsolete. Longstanding facility requirements make up a large part of the Air National Guard construction backlog.

Last year at this time we projected a backlog of $490 million for the end of fiscal year 1982. That figure has now escalated to $574 million. This increase can be attributed to the requirements for an Air Force auxiliary airfield in southern Arizona, additional facilities requirements in support of aircraft conversions and unit relocations plus inflation. This backlog, after execution of the fiscal year 1983 construction program, will be reduced to $567 million.

BUDGET REQUEST

Our fiscal 1981 program is progressing very well. Of the 1981 authorization of $80 million, $76 million has been obligated or committed as of March 15, 1982. Due to a favorable bidding climate during 1981, $14.5 million was saved. This has been via approved reprograming to accelerate construction of 19 urgently required projects.

The first and second increments of the 1982 program have been submitted for congressional clearance, with a combined value of $71.9 million, or about 78 percent of our $90 million program.

No problems are anticipated with the remaining items and the projected obligation rate for the fiscal 1982 program is 85 percent by September 30, 1982.

The Air National Guard authorization request for fiscal year 1983 military construction program is $89.8 million. The appropriation request is $106.8 million and includes the $89.8 million for major construction, $9 million for minor construction, and $8 million for planning and design. The program is composed of 67 projects at 43 locations in 33 States and provides direct support of weapon system conversions, equipment modernizations, and unit relocations. Each project incorporates energy saving designs, equipment, and materials.

The Air National Guard has been able to respond favorably and rapidly to vital weapon system modifications and conversions, including unexpected program revisions through your interest and support of our military construction program and the flexibility permitted through the lump sum authorization and appropriate process. We strongly desire to preserve this privilege of being able to satisfy urgent, unanticipated requirements. Only absolutely essential changes in the Air National Guard program have been and will be requested.

Mr. Chairman, this concludes my statement on behalf of the Air National Guard 1983 construction request. I sincerely appreciate your continuing interest and assistance to satisfy our growing needs.

Senator THURMOND. Thank you.

AIR FORCE RESERVE

STATEMENT OF BRIG. GEN. JAMES C. WAHLEITHNER, DEPUTY TO THE CHIEF OF AIR FORCE RESERVE HEADQUARTERS, U.S. AIR FORCE

PREPARED STATEMENT

Senator THURMOND. We will now hear from General Wahleithner of the Air Force Reserve. Without objection, we will place your statement in the record and have you summarize it briefly.

[The prepared statement of General Wahleithner follows:]

PREPARED STATEMENT OF BRIG. GEN. JAMES C. WAHLEITHNER, DEPUTY CHIEF, AIR FORCE RESERVE

Mr. Chairman and members of the committee, thank you for the opportunity to appear before this committee to present the Air Force Reserve Military Construction Program for fiscal year 1983.

We seek your continued support of the Air Force Reserve Military Construction Program to meet our essential facility needs. Over the years, we have made maximum use of existing facilities, often by extensive maintenance, repair, and alterations to accommodate our ever expanding role in the Total Force. As our missions increase and our aircraft become more sophisticated, some of these existing facilities cannot economically accommodate the new mission. Our requirements can then only be met by the construction of new facilities.

The projects in our fiscal year 1983 request will satisfy the majority of the Air Force Reserve's most urgent facility requirements. Our program for fiscal year 1983 has an increased share dedicated for new construction in support of mission conversions. About eighty percent of our construction project dollars included in the fiscal year 1983 program are in support of mission change requirements. This is an increase over our fiscal year 1982 program, which had two-thirds of the dollars programmed for mission change requirements. While the construction of new facilities to support mission conversions is on the rise, our need to replace existing inadequate, deteriorated, and substandard facilities still confronts us.

Our fiscal year 1983 MCP request totals $35.6 million in appropriation and $29.0 million in authorization. This is the minimum program required to support our essential facility needs. Of the authorization requested, $18.1 million is for aircraft and weapon system maintenance facility projects. The remaining $10.9 million is for operational, training and general support facilities.

During fiscal year 1982–85, 12 of 35 Air Force Reserve flying units will change equipage. Examples of mission change projects in this request are those required at Luke AFB, Arizona, to support Air Force Reserve acquisition of F–4 fighter aircraft, at Carswell AFB, Texas to support conversion from F–105 to F–4 aircraft, and at Greater Pittsburgh IAP to support conversion of C–123 to C–130 airlift aircraft.

The fiscal year 1982 Authorization & Appropriation Bills provided funding and authorization for the construction of a Fuel Cell Maintenance Dock at Dobbins AFB. This project was originally programmed for accomplishment under the fiscal year 1983 program. As a result of this action, five fiscal year 1984 projects were accelerated into the fiscal year 1983 program. We anticipate design to be completed on these projects in the Fall of 1982 and construction contract awards shortly thereafter.

The program book also contains another late starter project at Bergstrom AFB, Texas for a power checkpad with sound suppressor. This project requirement evolved when a sound suppressor became available to the Air Force Reserve earlier than originally programmed. Again, we expect design completion in the Fall of 1982 with construction award shortly thereafter, to meet the operational mission requirement.

This year's request to fund minor construction requirement is $3,000,000. This amount will satisfy our increased construction project requirements driven by mission changes. Increased project limits, up to $175,000 from $100,000, have also enhanced the opportunity to develop these type projects to support mission conversions.

Our design fund request has increased slightly over last year's, and is needed basically because there are more projects to design. Another factor is the desire for projects to be at the preliminary design stage before the program is submitted to Congress. Design of the fiscal year 1983 projects is progressing to enable early fiscal year obligation of construction funds. We will also soon begin design on our fiscal year 1984 projects.

We have improved considerably in getting our projects under contract. Twenty-five fiscal year 1981 projects are under contract with a 96 percent obligation rate for that year's funds.

We expect to award the remaining two fiscal year 1981 projects shortly, giving a 100 percent obligation rate. Execution of the fiscal year 1982 program is progressing satisfactorily, even though we had a late start due to there being no fiscal year 1982 appropriation or authorization available until almost the end of the first quarter. We have had four bid openings to date and another $23 million is expected to be awarded during the third quarter and a 100 percent obligation by the end of the fiscal year is forecast.

The Air Force Reserve is fulfilling its peacetime mission and is ready to meet its wartime commitments. All our units which are not in the midst of a conversion are combat ready. We have a motivated, professional force and are acquiring the most modern equipment to meet the mission demands. We need the essential facilities presented in this program request to train, maintain, and operate this Total Force component. These facilities are basic to retaining our people and preserving our high state of morale.

This concludes my statement on behalf of the Air Force Reserve Fiscal Year 1983 Military Construction Program request. Mr. Chairman, I will be glad to answer any questions the Committee may have.

General WAHLEITHNER. Thank you, Mr. Chairman. It is a real pleasure to be here before the committee this morning to talk about Air Force Reserve. The Air Force Reserve is fully capable of doing its combat mission today. We can mobilize our forces in 24 hours and deploy them within 72 hours.

We are meeting our end-strength authorizations. In fiscal year 1981, 61,565 personnel were assigned in the Air Force Reserve, which exceeded the programed end strength by 800 personnel, and this year we are ahead of our recruiting goals. Incidentally, we have exceeded our end strengths the last 4 years. We are more than meeting our recruiting goals and our reenlistment goals. Our retention is at the highest level that it has ever been in Air Force Reserve.

Our facilities are very important to us in our retention and our recruiting program. The units that have the best facilities also have the best capability of meeting their combat mission. Our flying units are doing exceptionally well. Thirty of our thirty-five equipped units are combat ready today. Five units are transitioning into new aircraft—two into C–130's, one unit into A–10's, and two into F–4's—and these are the only units that are not fully combat ready and they are progressing well ahead of schedule.

In our MAC associate program which you are well familiar with in the Charleston area, 50 percent of the aircrews in the Military Airlift Command are in the Air Reserve forces. We have 17 squadrons flying the C–141 and the C–5 aircraft today.

In addition to our training, we provide daily support to the U.S. Air Force. We have KC–135's on alert around the clock. The MAC associate crews fly 70 percent of their flying time in a productive role in the MAC system. Our airlift units are transporting cargo and dropping paratroopers all over the world. Our weather reconnaissance unit at Keesler AFB flies 70 percent of the hurricane missions flown in the Caribbean and North Atlantic.

Now for this budget we are requesting $35.6 million in appropriations and $29 million in authorization. Eighty percent of this request is for conversion-related projects with only 20 percent for replacement of facilities. One hundred percent of our request is related to readiness of our units. We are doing well on our 1982 program. We have had four bid openings to date and we should be 100 percent obligated by September 30.

We do have one problem, however, in our backlog which amounts to $148 million to date.

We support the Air Force's effort to provide minimum essential facilities at the European COB's. As you well know, the major portion of our Reserve flying units would deploy to Europe in a crisis situation and we are especially concerned about having munitions, POL, and minimum facilities available when these aircrews arrive.

That concludes my statement. I appreciate the opportunity to be here before this committee today. Thank you.

MX MISSILE

Senator **Thurmond**. Thank you, I have a few questions I would like to propound to you gentlemen. First, on the MX missile, several days ago we touched on the MX missile question. At that time you were asked what design or construction money, if any, was being expended at the present time. You said then that you felt no funds were being spent now on the MX basing construction or design.

Have you had a chance to check with your staff to see if any money is now being spent on MX?

General **Wright**. Yes, Mr. Chairman, I have had a chance to research and I can assure you that no funds have been spent during fiscal 1982 on contracts for design or construction. We have spent about $1.57 million to sustain the Corps of Engineers operations in support of the program.

As I mentioned earlier, $11 million was used to procure the San Bernardino, Calif., office complex in California.

Senator **Thurmond**. If the action by the Senate Armed Services Committee to strike money for the interim silo basing option is sustained by the Congress, is there any reason to retain any of the MX construction request for fiscal year 1983?

General **Wright**. Sir, we would still need about $37 million, as we see it right now, about $16.7 million for logistic support facilities at Hill Air Force Base in Utah and Newark Air Force Station in Ohio. We anticipate we would need about $20 million at Vandenberg for construction of additional test facilities that would support a long-term basing mode. And, of course, we still need the planning and design funds required for outyear programs.

Senator THURMOND. $37 million in all. That is the total amount?

General WRIGHT. Yes, sir. Mr. Chairman, if you do not have any questions, sir, for the Guard and the Reserve, would it be permissible for me to allow them to leave?

Senator THURMOND. To leave the hearing? Do you have any questions of the Air National Guard or Air Force Reserve? I do not think we have any questions especially for them and we can excuse them if you would like to do so. I guess you are sufficiently informed to answer the questions, are you not?

General WRIGHT. Yes, sir, and the Guard and Reserve say they have to go back and do their work.

Senator THURMOND. That will be fine. Get on back, gentlemen.

General WRIGHT. We can sleep well tonight. Mr. Chairman.

SPACE SHUTTLE

Senator THURMOND. Now on the Space Shuttle, last year we had a serious cost overrun with the construction program in support of the Space Shuttle. Review that situation for the committee, where you stand now on your total program and your cost estimates for that program. Would you want to do that for the record?

General WRIGHT. The cost variation and reprograming actions approved by the Congress in March 1982 ($17.4 million) were to cover changes to the original construction contract. We thought initially that funding to cover these changes would wait until fiscal year 1983. We found out, however, that to meet construction and operational schedules, we needed funds earlier. This drove the requirement for the $17.4 million reprograming action; $406 million has been approved and we are seeking $82.2 million in fiscal year 1983.

Simply stated, this added requirement is essentially the result of lessons learned early in the launch program. Changes of this nature are to be expected on a project as complex as the Space Shuttle.

Senator THURMOND. Justify the new requirement to spend $40 million for an environmental wind screen to protect the Shuttle during launches from Vandenberg Air Force Base. Why hasn't this requirement been recognized before now?

General WRIGHT. Sir, the original launch pad design criteria for Vandenberg allowed tolerances from about one-eighth to one-fourth of an inch while mating the external tanks to the orbiter vehicle. During assembly of the first flight vehicle at Kennedy Space Center, NASA learned that tolerances were much less than those anticipated—something on the order of one thirty-second of an inch.

Even at Kennedy, where mating of the tank and the vehicle is done inside, it was a very critical problem during the first launches of the Shuttle. As you know, at Vandenberg, the wind blows considerable out there and NASA has said that it would be impossible to put the two vehicles together without an environmental enclosure.

The real problem is, sir, in a program like this that there are lessons learned along the way. They are crossing new thresholds and new technologies every day.

Senator **Thurmond**. When will the first Shuttle be launched and recovered at the Vandenberg facility?

General **Wright**. In October 1985.

Senator **Thurmond**. How much additional funding would be required before all your Space Shuttle facilities requirements are satisfied?

General **Wright**. Sir, including the 1983 program before the Congress now, we anticipate a balance of about $222 million.

Senator **Thurmond**. Now I have a few questions on the Consolidated Space Operations Center. Would you discuss the requirement and scope of the CSOC? Why does the Air Force need another new headquarters?

General **Wright**. Mr. Chairman, with your permission, I would like to give you a short briefing on the Consolidated Space Operations Center. I think it would be very informative for you. But before the briefing I would like to clarify one point, that this is not really a headquarters. It is, indeed, an operations center that will control DOD satellites, on-orbit satellites, as well as DOD Shuttle missions. So I would not want it to be classified as a headquarters.

Sir, with your permission, Maj. Mike Byrne will give you a short briefing on the program.

Senator **Thurmond**. All right.

U.S. Air Force

Consolidated Space Operations Center

STATEMENT OF MICHAEL G. BYRNE, MAJOR, U.S. AIR FORCE

Major **Byrne**. Good morning, sir. What I have here this morning is an overview of the consolidated space operations program. What I will try to do in the briefing is address the questions I understand you have regarding the program.

Overview

- Air Force Satellite Control Facility.
- Johnson Space Center.
- Requirements.
- Concepts.
- Background.
- Milcon program.
- Summary.

This is an overview of the briefing. In order to understand the function of the Consolidated Space Operations Center, or the CSOC, we will look first at the current way we conduct satellite operations at the Air Force satellite control facility and what NASA is doing to control missions at the Johnson Space Center. We will look at the requirements that are driving the need for the CSOC, the concepts involved in the program, some of the background behind our concepts, then look at the Milcon program and a summary of our efforts.

CHART 1

SATELLITE TRACKING STATIONS

The Air Force satellite control facility is a worldwide network that has a Satellite Test Center, a control center located at Centerville Air Force Base, Calif., and remote tracking stations located around the world. There are stations at Oakhanger, England, Greenland, the Indian Ocean, Guam, and Hawaii as well as stations in the continental United States.

The Satellite Test Center is the home of the mission control complexes that actually conduct mission operations by the remote tracking stations. It is these functions that we could also include in the Consolidated Space Operations Center.

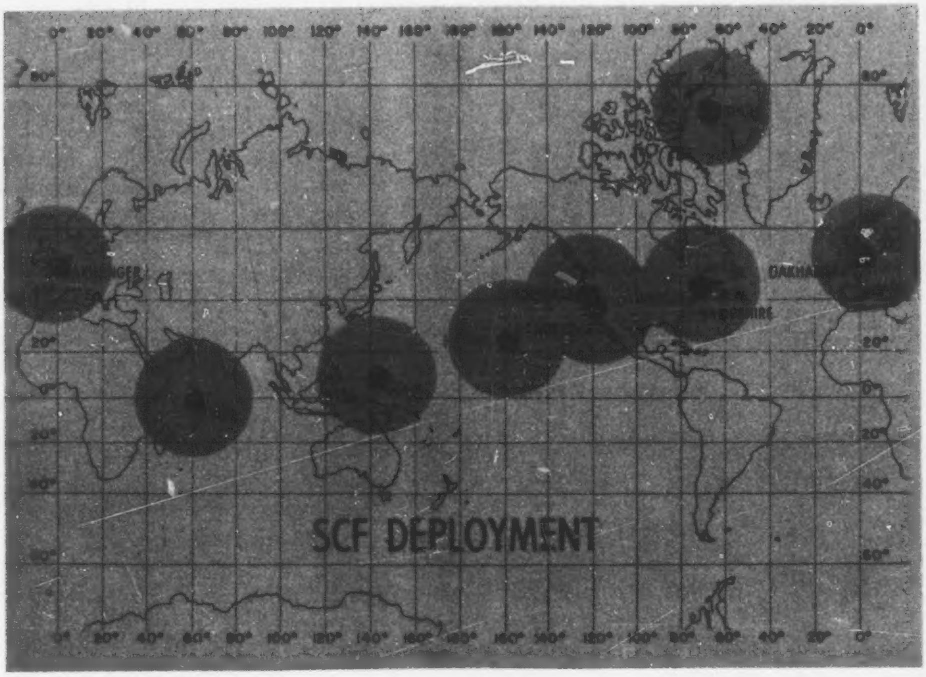


CHART 2

TRACKING STATION DEPLOYMENT

This shows the deployment of the remote tracking stations around the world. This deployment allows visibility of the satellites on orbit for the variety of missions that are being performed. The CSOC would also operate using these remote tracking centers.

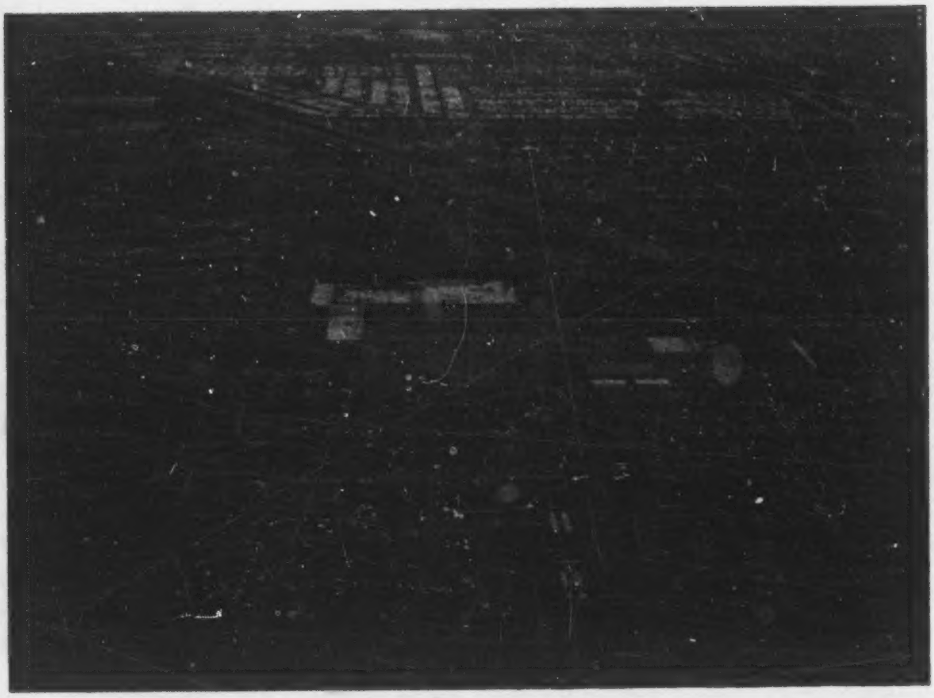


CHART 3

SUNNYVALE SATELLITE TEST CENTER

This is a picture of the Satellite Test Center in Sunnyvale. The point to be made here is that we are located on a crowded industrial park. It is a 6-acre Air Force station that has been surrounded by industrial development. You will see there are freeways running adjacent to the facility. In addition, the Moffitt Field Naval Air Station is approximately 3 miles away and conducts active military training.

CHART 4

JOHNSON SPACE CENTER COMPLEX

This chart shows NASA's complex at the Johnson Space Center. It is a rather large facility. Of interest is the areas in building 30 and in this area, where the DOD has made modifications to the NASA facilities to allow us to conduct military missions in a secure environment. These modifications are known as the controled mode which we will be talking about later.

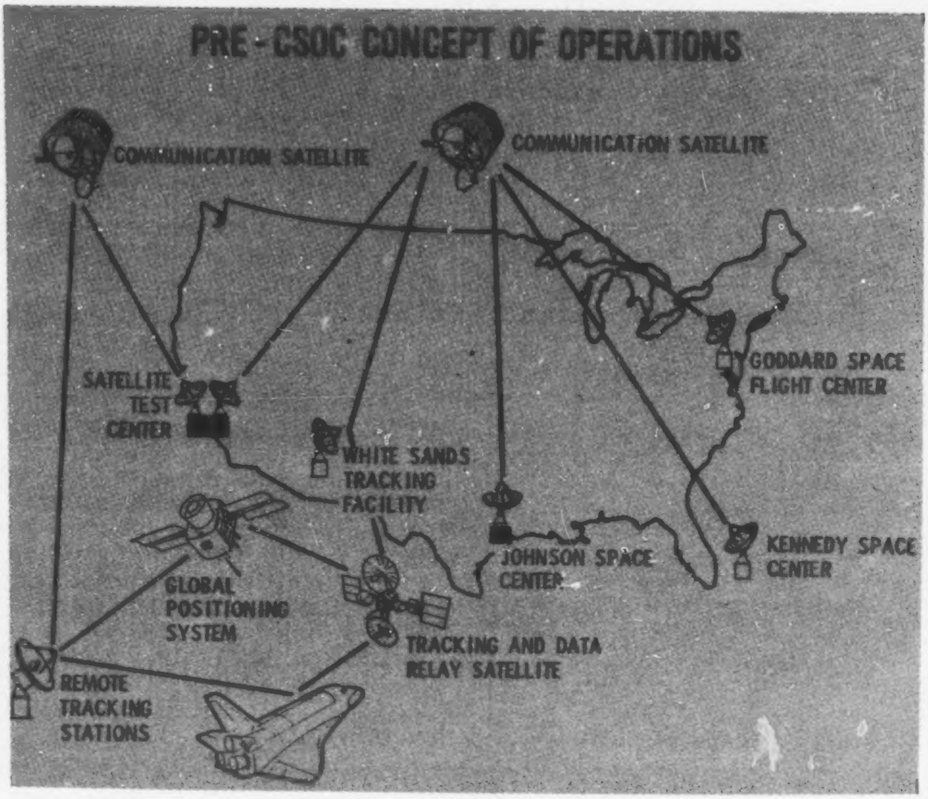

PRE-CSOC CONCEPT OF OPERATIONS
COMMUNICATION SATELLITE
COMMUNICATION SATELLITE
SATELLITE TEST CENTER
WHITE SANDS TRACKING FACILITY
GODDARD SPACE FLIGHT CENTER
JOHNSON SPACE CENTER
KENNEDY SPACE CENTER
GLOBAL POSITIONING SYSTEM
TRACKING AND DATA RELAY SATELLITE
REMOTE TRACKING STATIONS

CHART 5

OPERATIONS CONCEPT

Before the CSOC is available this is a concept of operations. We had the Satellite Test Center operating through communications satellite remote tracking stations and then talking to mission satellites. In this case it shows the global positioning system satellite. NASA is conducting their operations from the Johnson Space Center, again through communications satellites to the tracking and data relay satellite systems and into the orbiter. Essentially they are separate functions, although there are a number of interfaces between the satellite control and the launch control operations.

DOD SPACE OPERATIONS TODAY
DEFICIENCIES

- SINGLE NODE VULNERABILITIES
    - NATURAL DISASTERS EARTHQUAKE, HURRICANE, ETC.
    - LOCAL HOSTILE ACTS
- LIMITED GROWTH POTENTIAL
    - COMMERCIAL EXPANSION
- MORE COMPLEX AND MORE SECURE SPACE OPERATIONS
    - JOHNSON SPACE CENTER DESIGNED FOR INTERIM
        - SIMPLE DOD MISSIONS ONLY
        - UP TO SECRET LEVEL
        - LIMITED ONE SECURE ACTIVITY AT A TIME

CHART 6

DEFICIENCIES IN CURRENT SPACE OPERATIONS

We have some difficulties with this arrangement. Specifically, we are concerned about the single node vulnerability associated with having our space control vested in single facilities—in the case of the Satellite Test Center, the bulk of the DOD satellite missions and the Johnson Space Center, the Nation's launch operations. We have also seen there is limited growth potential. There is no room for expansion, for example, in the Sunnyvale area.

In addition, we are concerned about moving on toward a full exploitation of the capabilities of the Shuttle itself for military missions. The Johnson Space Center modifications were designed as an interim solution to DOD needs. For example, they are constrained to simple DOD missions. That is the delivery of a payload on orbit rather than those missions that require large amounts of interaction between the payload and the orbit vehicle itself.

In addition, it is designed to accommodate only secret information. It does not have provision to protect information in the "top secret" category. In addition, the capacity is restrained. It can only conduct one secure DOD activity at a time and that is not sufficient to accommodate our models in the outyears.

CONSOLIDATED SPACE OPERATIONS CENTER REQUIREMENTS

- SATELLITE OPERATIONS
  - INCREASE SURVIVABILITY TO MINIMIZE SYSTEM DEGRADATION IN CASE OF NATURAL DISASTERS OR HOSTILE ACTS
  - REDUCE VULNERABILITY TO INTELLIGENCE COLLECTION, SABOTAGE, COVERT ATTACK AND JAMMING
- SHUTTLE OPERATIONS
  - INCREASE SURVIVABILITY TO MINIMIZE SYSTEM DEGRADATION IN CASE OF NATURAL DISASTERS OR HOSTILE ACTS
  - ENABLE DOD TO FLY MORE COMPLEX AND MORE SECURE MISSIONS THAN FEASIBLE AT JOHNSON SPACE CENTER
  - PROVIDE DOD WITH POSITIVE AND CONTINUING CONTROL OF MILITARY OPERATIONS

CHART 7

FACILITY REQUIREMENTS

From those deficiencies, then, we have defined a set of requirements for the new facility. In the satellite operations area we would like to increase the survivability of our overall network, minimizing degradation in the case of an outage due to natural disaster or hostile act or whatever event might occur. In addition, we would like to reduce the vulnerability due to threats of intelligence collection, sabotage and jamming.

In the Shuttle operations area, we are concerned with similar survivability issues. We would like to allow the DOD to fly more complex and more secure Shuttle missions. By locating the Shuttle control and the payload control in a single facility we believe that we can greatly enhance the interoperations and allow better conduct of those missions. We would also like to move the DOD into the posture of having a DOD facility to conduct national space missions with the Shuttle.

CSOC CONCEPT OF OPERATIONS

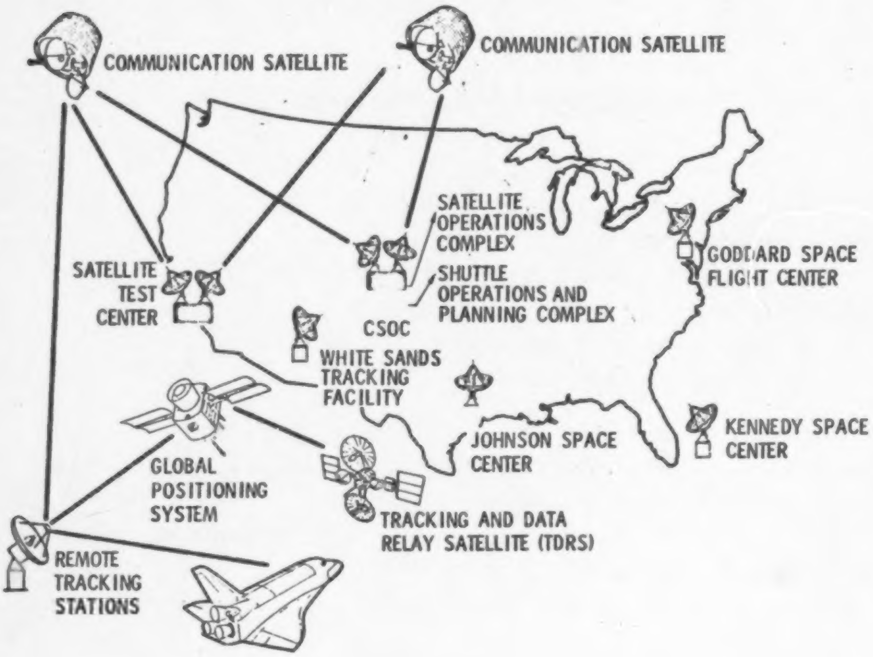
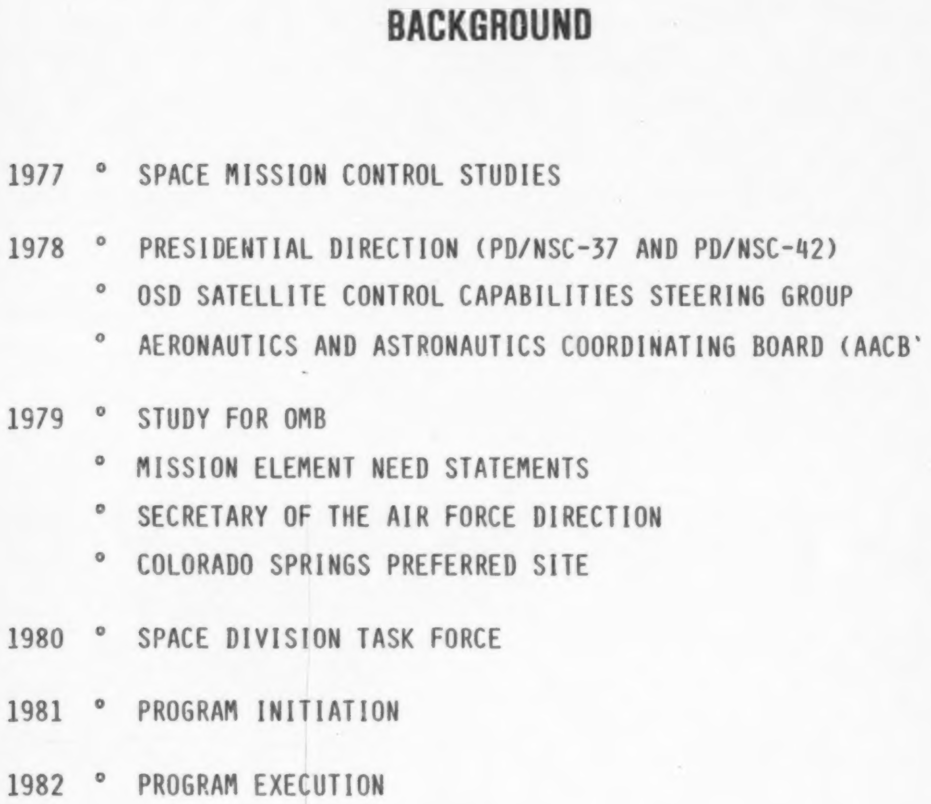

COMMUNICATION SATELLITE
COMMUNICATION SATELLITE
SATELLITE OPERATIONS COMPLEX
SHUTTLE OPERATIONS AND PLANNING COMPLEX
GODDARD SPACE FLIGHT CENTER
SATELLITE TEST CENTER
CSOC
WHITE SANDS TRACKING FACILITY
KENNEDY SPACE CENTER
JOHNSON SPACE CENTER
GLOBAL POSITIONING SYSTEM
TRACKING AND DATA RELAY SATELLITE (TDRS)
REMOTE TRACKING STATIONS

CHART 8

CSOC OPERATION CONCEPT

With the CSOC, then, we have this concept of operation. The satellite missions are conducted now from both the Satellite Test Center and the CSOC. The Shuttle operations for DOD are conducted in the CSOC and the civil missions are conducted from NASA's facility. We have the single facility, the CSOC, that allows close interaction between the military payload missions and the Shuttle missions that are placing those satellites on orbit.



BACKGROUND

1977 ° SPACE MISSION CONTROL STUDIES

1978 ° PRESIDENTIAL DIRECTION (PD/NSC-37 AND PD/NSC-42)
- OSD SATELLITE CONTROL CAPABILITIES STEERING GROUP
- AERONAUTICS AND ASTRONAUTICS COORDINATING BOARD (AACB)

1979 ° STUDY FOR OMB
- MISSION ELEMENT NEED STATEMENTS
- SECRETARY OF THE AIR FORCE DIRECTION
- COLORADO SPRINGS PREFERRED SITE

1980 ° SPACE DIVISION TASK FORCE

1981 ° PROGRAM INITIATION

1982 ° PROGRAM EXECUTION

CHART 9

DOD PLANNING FOR CSOC

Sir, there has been, as you know, a GAO report that was commissioned last year. In that report there was some criticisms about the adequacy of the DOD planning for CSOC. The Air Force position is that we do not agree with the conclusions that GAO made, and this slide goes into the background of some of the planning that has been conducted leading up to the Consolidated Space Operations Center.

As early as 1977 there were space mission control studies conducted that looked at the need for satellite and Shuttle control facilities. In 1978 there was Presidential direction issued directing that increased survivability be provided. The control architecture that supports the space mission was addressed by an OSD group that reviewed the Air Force planning and concurred in the judgment that a consolidated approach was an efficient means of accomplishing those requirements.

In the same timeframe, the Aeronautics and Astronautics Coordinating Board observed that NASA's schedules for the launch of the first Shuttle were slipping and recommended that until the Shuttle program actually flew the DOD use, as an interim, the controlled mode configuration at the Johnson Space Center. Indeed, that is what we are doing today.

In 1979 OMB was responding to the Presidential direction and asked that the DOD conduct a study regarding long-term needs for a dedicated Shuttle control facility. Out of that study came documented mission element need statements which, as you know, are the formal requirements statements that were approved by the Secretary of Defense on satellite/shuttle control capabilities. The Secretary of the Air Force reviewed these ongoing efforts, directed establishment of the CSOC program and announced the selection of the Colorado Springs location as the preferred site for the facility.

In 1980 the space division people at Los Angeles Air Force Station conducted a task force study to establish the acquisition concept and the procurement strategies to actually execute a program requiring these facilities. In 1981, program initiation occurred with the appropriation of moneys for the CSOC program.

In 1982 we are in the execution phase of the program performing the detailed systems design. As you know, 1983 is the year in which we request the first segment of the military construction.

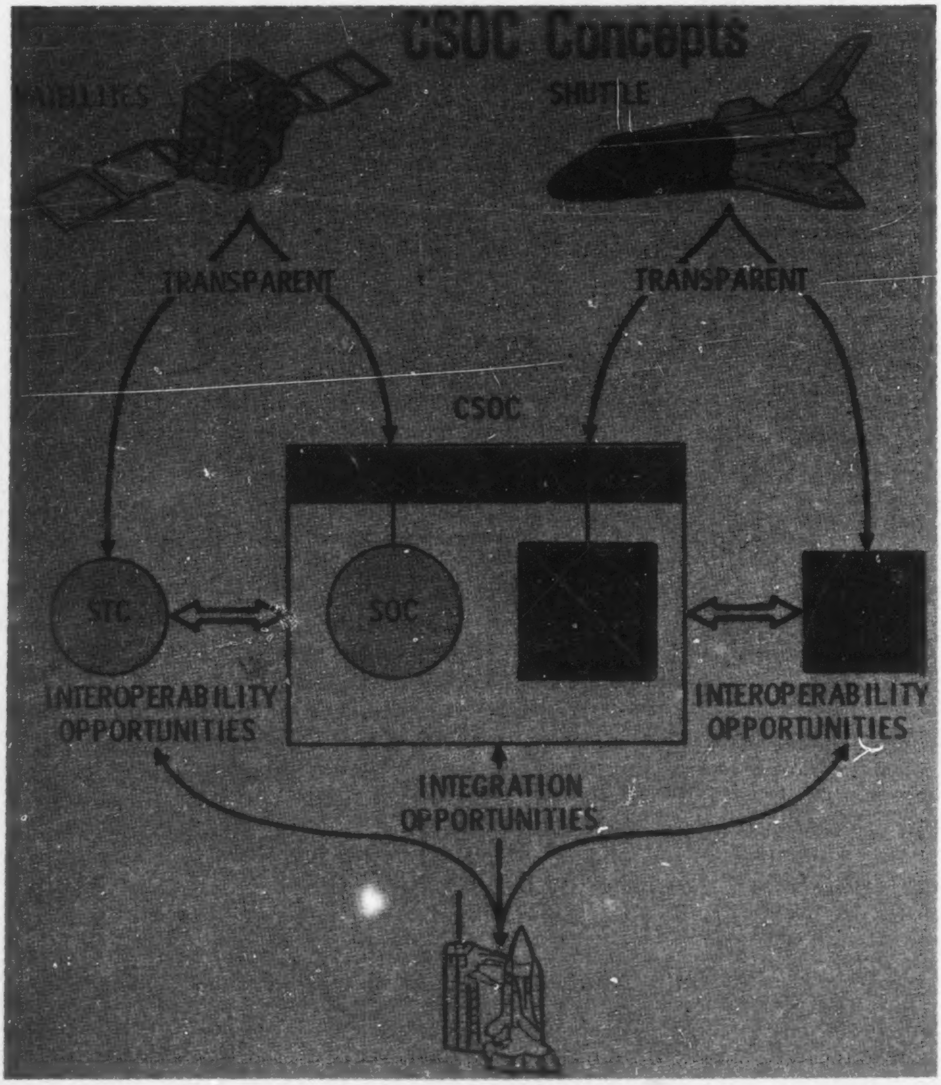

CSOC Concepts
ATELLITES
SHUTTLE
TRANSPARENT
TRANSPARENT
CSOC
STC
SOC
INTEROPERABILITY OPPORTUNITIES
INTEROPERABILITY OPPORTUNITIES
INTEGRATION OPPORTUNITIES

CHART 10

OVERALL CSOC CONCEPT

This is an overall concept of CSOC itself. You can see that the satellite control functions are interoperable between the Satellite Test Center and the CSOC, the Shuttle control functions are interoperable between the CSOC and NASA's facilities. CSOC combines these functions and includes the facilities and the communications for the satellite and Shuttle control portions. So far as the satellites and the Shuttle are concerned, it should be transparent to those vehicles whether the commanding source is CSOC or one of the alternative control centers.

We are also investigating integration opportunities to allow efficiencies and economies in the fielding of the separate mission functions for CSOC.

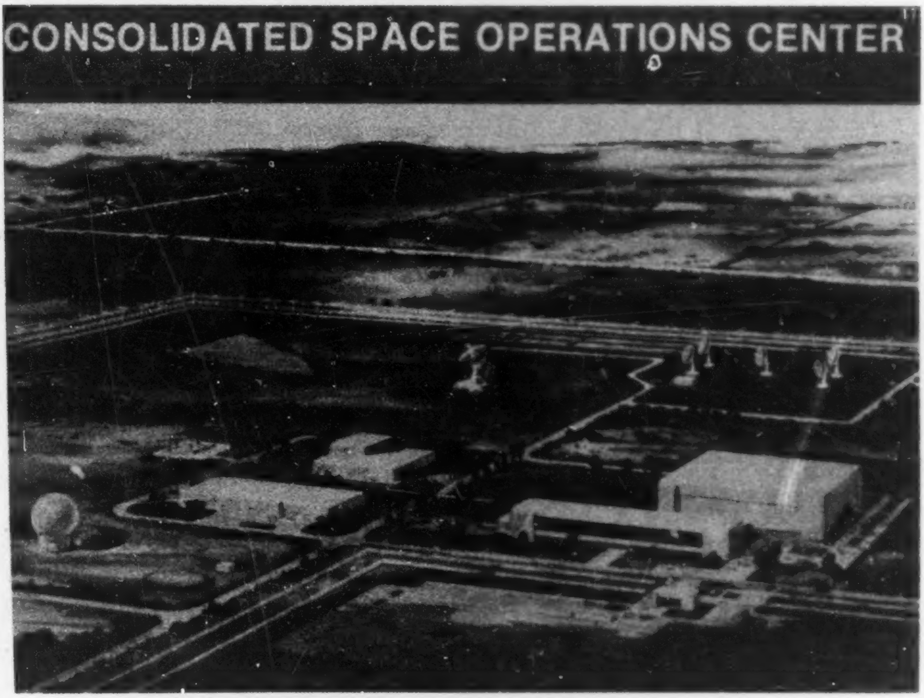


CHART 11

CSOC TECHNICAL FACILITY

This is an artist's conception of the CSOC. The technical facility will be a 300,000 square foot structure that houses the mission control complexes, the flight control rooms, the computer facilities, communications and technical functions that allow the mission to be performed.

There is an engineering and administration building that essentially houses the office workers. The support building houses logistics support. This is the powerplant and you can see there are a number of communication terminals located around the plot to allow connectivity with the remote tracking stations as well as with the NASA systems for communications with the Shuttle.

CONSOLIDATED SPACE OPERATIONS CENTER SITE

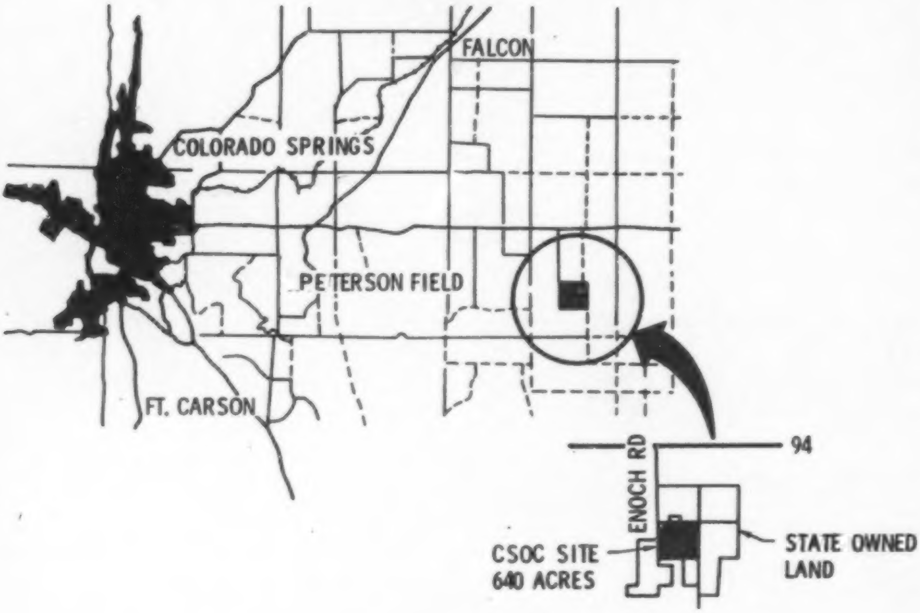


CHART 12

SITE LOCATION

The site is located approximately 15 miles east of Colorado Springs. It is about 9 miles east of Peterson Air Force Base, about 15 miles from NORAD's Cheyenne Mountain complex.

MILITARY CONSTRUCTION PROGRAM REQUIREMENTS

TWO PHASED PROGRAM

TOTAL AUTHORIZATION	$145.7M
TWO YEAR APPROPRIATION	
FY 83 TECHNICAL BLDG	$ 67.7M
CENTRAL PLANT	
SITEWORK/UTILITIES	
FY 84 ENGR & ADM BLDG	$ 78.0M
SUPPORT BLDG	
GENERATORS	

CHART 13

TWO-PHASE PROGRAM FOR MIL CON PROGRAM

The military construction program that has been proposed is a two-phase program. The total authorization about $146 million. The first year we would construct the technical building and the central plant as well as some site work on utilities. The pacing item is the technical building since this more complex structure is required to be available to allow integration of the technical facilities and communications in time to meet the operational need dates.

In the 1984 program we will build the engineering and administration buildings as well as complete the support building and equip the powerplant with standby generators.

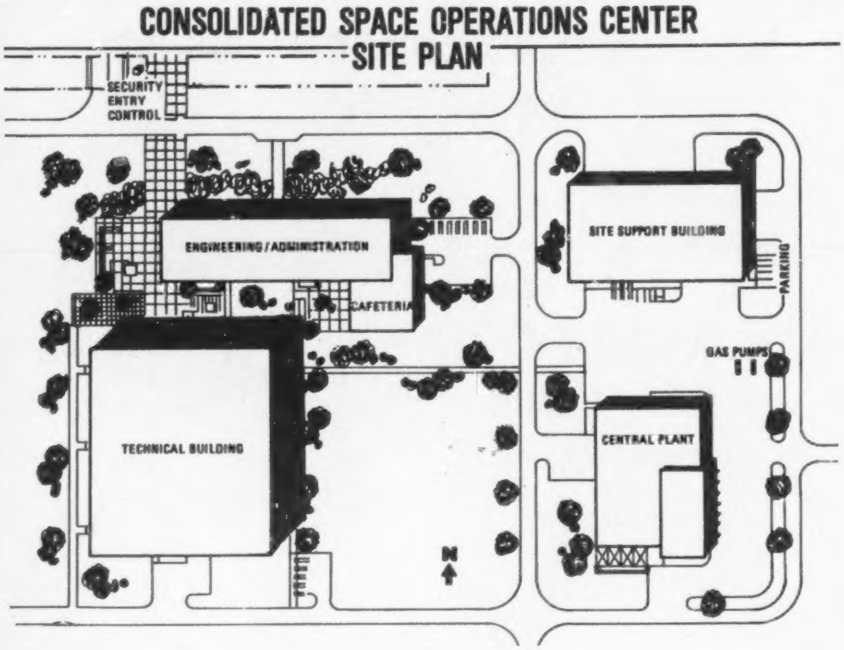


CHART 14

PHASE I AND PHASE II BREAKOUT

This view shows the breakout of phase I and phase II. Phase I is the technical building and powerplant and phase II is the engineering and administration and support.

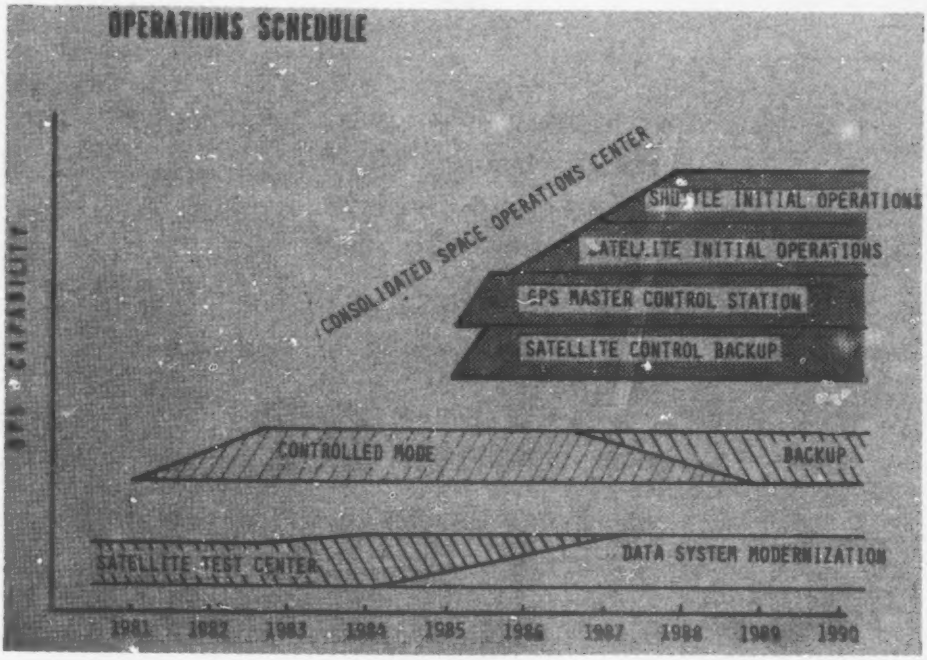


CHART 15

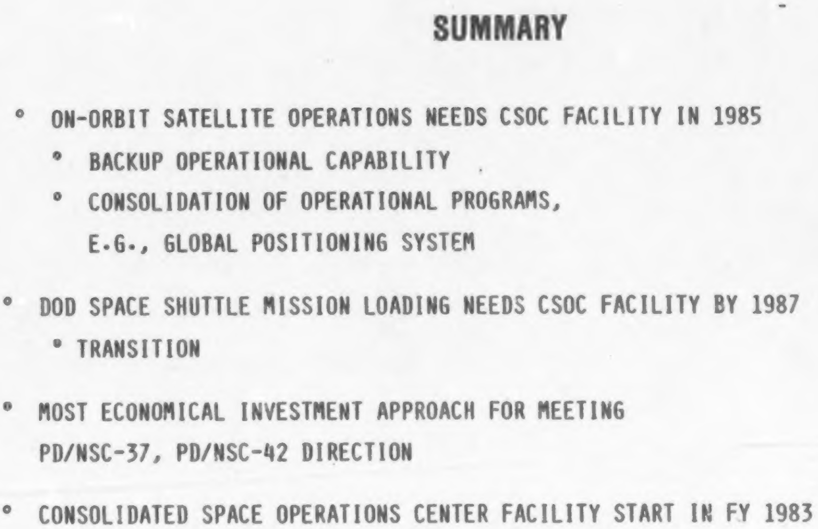
OPERATIONS ACTIVATION SCHEDULE

This slide shows our operations acquisition schedule. It shows the Satellite Test Center going through the modernization effort that is currently underway to equip the network with new computers. As that transition occurs, we then essentially have no backup with the new architecture. We need to have this emergency backup, as shown. It will be the first operational capability of the satellite control portion of the CSOC.

We have the controlled mode operating initially out of JSC. As the Shuttle control at CSOC becomes available we will phase down those operations and revert to the backup mode at JCS. We also have an opportunity to include new missions into the CSOC. For example, the global positioning system master control station would be one candidate for those missions.

The ramps show the satellite operations as they are transitioning. The ongoing satellite support effort are then conducted at both CSOC and the Satellite Test Center, so the workload is shared between the Satellite Test Center and CSOC.

You will notice that these operational dates are occurring in the 1986 timeframe. This drives the need for construction to start in fiscal 1983.



SUMMARY

- ON-ORBIT SATELLITE OPERATIONS NEEDS CSOC FACILITY IN 1985
  - BACKUP OPERATIONAL CAPABILITY
  - CONSOLIDATION OF OPERATIONAL PROGRAMS, E.G., GLOBAL POSITIONING SYSTEM
- DOD SPACE SHUTTLE MISSION LOADING NEEDS CSOC FACILITY BY 1987
  - TRANSITION
- MOST ECONOMICAL INVESTMENT APPROACH FOR MEETING PD/NSC-37, PD/NSC-42 DIRECTION
- CONSOLIDATED SPACE OPERATIONS CENTER FACILITY START IN FY 1983

CHART 16

ON-ORBIT SATELLITE OPERATIONS

In summary, then, the on-orbit satellite operations do dictate the need for a facility in 1985 to begin that backup function and allow the transition of the programs. We are allowing the consolidation of new operational programs such as the GPS into the CSOC mission control complexes.

The mission loading of the Shuttle program dictates the need of facilities available in the 1987 timeframe so we can begin transitioning into the Air Force capabilities to conduct the Shuttle missions from NASA to CSOC. We believe that the CSOC concept is the most economical investment approach for meeting the survivability dictates of Presidential direction. We require the start of the consolidated space operations structure in fiscal 1983.

That concludes my briefing, sir. If you have any further questions.

Senator THURMOND. Thank you very much.

GAO REPORT SUMMARY

I believe you have the GAO report summary in your comments on the record, do you not?

General WRIGHT. Yes, sir.

Senator THURMOND. You have those available?

General WRIGHT. We have them. We have the GAO report.

Senator THURMOND. Without objection, then, put those in the record.

General WRIGHT. All right.

[The information follows:]

LETTER FROM JAMES P. WADE, JR.
ACTING UNDER SECRETARY OF DEFENSE
RESEARCH AND ENGINEERING

22 APR 1982

Honorable Charles A. Bowsher
Comptroller General of
the United States
Washington, D.C. 20548

Dear Mr. Bowsher:

This is in reply to your letter to Secretary Weinberger regarding your report dated January 29, 1982, "Consolidated Space Operations Center Lacks Adequate DoD Planning", MASAD-82-14 (OSD Case #5836). With respect to the recommendations of this report the following comments are provided:

- We currently view space as a place to deploy systems as an adjunct to other means of accomplishing assigned missions, such as those of providing communications, surveillance, navigation, and meteorological support.

We fully recognize that space does have unique aspects and that the support structure is large and expensive to operate. For this reason, the Air Force, through Space Division, is the focal point for launch and orbital support for space systems. This "single manager" approach for common support functions is efficient and has been implemented; operational control of space systems is vested in those organizations having direct mission responsibility.

Until such time as a new mission in space mandates the designation of an organization to accomplish that mission, we believe that our present functional approach to management and operation of space systems is appropriate.

- Further, given the recent reaffirmation of the objectives of the National Space Transportation System by the current Administration and the commitment of the DoD to that system, we believe it is necessary and timely to proceed with the acquisition of a military command and control facility, i.e., CSOC, to enable full exploitation of the Space Shuttle's unique capabilities for national security operations. The GAO's suggestion to limit CSOC funding to an interim satellite control complex is of particular concern and is incongruous with its recommendation for a fully functionally integrated system.

Our facility concept, targeted for 60% design completion by mid-May 1982, is for a consolidated facility which will incorporate functional integration of its various elements to the extent that it is economically and operationally prudent to do so. In this regard, we are in a better position to make these judgements than the GAO.

Implementation of the recommendation to restructure our program would obviate the advantages of consolidation and delay completion of a DoD Shuttle operations and planning capability beyond the point required to support adequately national security space missions.

Mr. Socolar's January 29 transmittal letter states that the "...

Department of Defense...response was received after the 30-day period required by Public Law 96-226. In accordance with the wish of the committees, the agency comments received from Defense are included, without evaluation,...". Unfortunately, this does not fully recognize our efforts. We initiated an intensive review immediately on receipt of the December 15 draft report. We met with your staff on December 23 to present agency comments. Thus, we did respond in 8 days, which was well within the 30-day constraint. Thereafter, we provided fully reviewed agency comments to complement the report 9 days prior to its publication.

We appreciate the opportunity to comment on this report, and detailed comments are attached. These comments differ in some respects from those submitted on the draft report because of the virtually complete rewrite of the final report. To the extent that the draft report was corrected based on some of our prior comments, we have not repeated those comments.

DOD COMMENTS
ON
GENERAL ACCOUNTING OFFICE REPORT

THE CONSOLIDATED SPACE OPERATIONS CENTER
LACKS ADEQUATE DOD PLANNING

MASAD-82-14, January 29, 1982
(OSD Case #5836)

1. Ref: RECOMMENDATIONS (p ii)

"The Secretary of Defense should take immediate action to:

-- Designate a single manager for management of military space development and operation;

-- Direct that the manager prepare an overall plan for military exploitation of space. Included in this plan should be consideration of an interim Satellite Operations Complex in Colorado Springs, with a follow-on CSOC at such time as adequate planning is completed for a fully integrated system. Also, the CSOC implementation plan should be supported by an adequate cost-benefit analysis."

Comment: DOD Directive 5160.32 currently designates the Air Force as the DOD activity responsible for space launch and orbital support operations. A proposed draft revision of DODD 5160.32 designating the Air Force as the DOD executive agent for space currently is being coordinated among the Services by the Air Force. After this process, it will undergo formal OSD review.

In discussion of the designation of an "overall manager for military space operations" the GAO does not distinguish between designation of an agency (which is an appropriate action for OSD) and the organizational structure within that agency to perform its functions (which is an agency prerogative). National space policy currently is being updated by the Office of Science and Technology Policy, and this activity is being supported by the formulation of a DOD space policy and implementation plan. Organizational changes, if required, are premature until this new policy is promulgated.

With regard to overall planning and cost benefit analysis for CSOC, the Air Force has conducted over the last three years extensive analysis of alternatives for achieving the capabilities that CSOC will provide. The report to OMB (Dec 78) determined that collocating the satellite and Shuttle capabilities was the most cost-effective alternative. Since that report, the Air Force has continued to examine various alternatives for achieving these capabilities (CSOC Task Force, CSOC Integration Study, and the Satellite Control Plan) in the most cost-effective and efficient manner compatible with the mission requirements. The DOD believes that the current program baseline is the most cost-effective alternative for meeting mission requirements.

See following Comment for discussion of GAO recommendation to defer CSOC.

2. Ref: MATTERS FOR CONSIDERATION BY THE CONGRESS (p. iii)

"GAO believes that the Congress should consider restricting Military Construction Program funding for CSOC to that level necessary for an interim Satellite Operations Complex. Full CSOC funding should follow when DOD has completed an adequate cost-benefit-analysis. Program implementation should be closely monitored."

Comment: The FY 83-87 Budget Estimate Submission includes MILCON funding in FY 83 and FY 84 for an integrated facility to house both satellite and Shuttle control functions. The 35% design milestone has already been met and the 60% level is scheduled to be complete by 18 May 82. The FY 83 increment provides the technical building with some utility support; the FY 84 program provides engineering, administrative and support buildings. This approach is consistent with the installation and checkout lead times associated with the technical systems. Limitation to an "interim" Satellite Operations Complex would obviate the consolidated approach that the Air Force has undertaken and that GAO asserts is necessary in its previous recommendation to the SECDEF. This consolidated approach was shown to be the most cost effective in the Aug 1979 report to the OMB on Satellite and DOD Shuttle Control Capabilities.

The Air Force acquisition strategy does achieve a satellite control capability first; however, the activation of the Shuttle control capability in the 1987 time frame is necessary if we are to support the current national mission model. NASA estimates that the Controlled Mode at Johnson Space Center will be saturated with 6 to 8 DOD missions per year. The DOD mission model exceeds this capacity by 1987 and dictates the Shuttle control IOC of 1987 to meet DOD mission requirements.

3. Ref: NO OVERALL DOD PLAN EXISTS FOR THE MILITARY USE OF SPACE (p. 13)

a. Fragmented space responsibility (p. 13)

"....there is no single manager for military operations in space responsible for preparing an overall plan for the coordinated military use of space."

Comment: The GAO assertion assumes that space is a mission rather than a place. In fact, space systems provide support across the spectrum of mission areas. Space systems compete with other types of systems in establishing the most effective means of accomplishing a given mission.

By analogy, one could argue that aircraft operations are fragmented because the Air Force, Navy, and Army all use aircraft even though the missions of each service are quite distinct. To carry the analogy further, within the Air Force, aircraft are employed by Strategic Air Command, Tactical Air Command, Military Airlift Command, etc., all with distinct missions.

However, space does have unique aspects, and the operations support structure is large and expensive to operate. In recognition of this fact, the Space Division of Air Force Systems Command is the focal point for space systems acquisition, launch, and a large portion of orbital support through the Satellite Control Facility. This "single manager" approach for common support functions is appropriate and has been implemented, while operational control of space systems is vested in those organizations having direct mission responsibilities -- ADCOM (DSP), SAC (GPS), DCA (DSCS), etc.

b. Lack of clearly defined responsibilities may result in future duplication and interservice rivalries (p. 15)

"Although the Air Force was delegated authority for the development, production, and deployment of certain space systems by DOD Directive 5160.32, its role as an operator of such systems has not been clearly defined in most cases. An exception in relation to the Shuttle was made on March 27 1980, when a Memorandum of Understanding was signed by NASA and DOD...It designated the Air Force as the DOD component to: "Develop, acquire, and operate a dedicated Shuttle, mission planning, operations, and control facility for national security missions." ...This document does not state, however, that the Air Force will build and operate the CSOC or manage the overall military operations in space."

Comment: The STS MOU is intended to address the functional responsibilities of the DOD and NASA with respect to the Space Transportation System. Management of systems external to the STS (e.g. satellite control) and the implementation of DOD and NASA segments of the STS and agency organization are neither necessary nor appropriate features in such an inter-agency agreement.

"....CSOC could grow to encompass the planning and operations of a variety of space programs. Therefore, we believe the planning and operational responsibilities should be clearly defined to avoid interservice rivalries."

Comment: CSOC is not an operational entity in itself; it provides services to a variety of space system owners and operators as part of a larger control segment network. The CSOC has clearly defined dual missions: satellite control and national security Shuttle operations control. In the launch support area, DOD missions will be conducted in accordance with already designated Air Force responsibilities. On-orbit control for numerous satellite programs will be supported. This generic on-orbit support, however, is a service provided to the operational "owner" responsible for the satellite mission just as the SCF provides these services today.

"Indications of potential interservice rivalries have already been noted in the Action Memorandum that accompanied the NASA/DOD Memorandum of Understanding. It was from the Secretary of the Air Force to the Deputy Secretary of Defense. This indicated that the concurrence of the Army, Navy, Joint Chiefs of Staff and others only was gained when it was emphasized that designation of the Air Force did not mean centralization of space operations. Apparently the Navy was especialy concerned that it would lose some control of its space systems. In our view, this is indicative of the resistance of the services toward any consolidation of space operations. As long as this attitude persists, we feel that the potential economies represented by CSOC will never be realized, and the proliferation of space management centers will continue."

Comment: GAO has made inaccurate inferences from the Action Memorandum, attached for reference. The memorandum was signed by the Secretary of the Air Force acting as Chairman of the OSD Defense Space Operations Committee. The Navy was initially concerned with Section 2.0 of the MOU which designates the Air Force as "the sole point of contact with the NASA for all commitments affecting the STS and its use in matters regarding national security space operations..." Clarification was made that this designation would not preclude NASA/Navy interfaces on applications programs and R&D projects of mutual interest. This allayed Navy concerns. The Army and JCS had no objections.

(The Action Memorandum follows:)

MEMORANDUM TO THE DEPUTY SECRETARY OF DEFENSE

SUBJECT: NASA/DOD Memorandum of Understanding - ACTION
MEMORANDUM

Attached for your signature is a proposed Memorandum of Understanding between the Department of Defense and the National Aeronautics and Space Administration covering the operation of the Space Transportation System (Shuttle). The Memorandum is intended to replace the Memorandum of Understanding between NASA and the DOD, dated 14 January 1977, and reflects technical and organizational changes that have occurred since the earlier Memorandum was signed.

The new Memorandum is consistent with the Department of Defense Directive 5160.32 which deals with the operation of the Space Shuttle for flights related to the national security. The Memorandum has been provided to the Secretaries of the Army and Navy, and to the Office of the Joint Chiefs of Staff for their comments. Mr. Alexander interposed no objections to the Memorandum. While Mr. Hidalgo was initially concerned that the Memorandum would adversely impact the Navy's relationship with NASA regarding the NOSS, and with their R&D efforts, he has been assured that the MOU is written in such a way as to enhance the Navy's use of the Shuttle, and will in no way diminish their Research and Development activities. A copy of this correspondence is attached. Based on the clarification to him, the Navy now interposes no objection to the MOU. The JCS have noted the MOU, and offer no objection; however, they have indicated that as we proceed to make the Shuttle an operational system, they will wish to become more involved.

We hope very much that this staffing of the Memorandum will provide the basis for your signature at your earliest opportunity.

Gerald P. Dinneen
GERALD P. DINNEEN
Assistant Secretary of
Defense (C^3I)
DSOC Member

Hans Mark
HANS MARK
Secretary of the Air Force
DSOC Chairman

Daniel J Murphy
DANIEL J. MURPHY
Deputy Under Secretary of
Defense (PR)
DSOC Member

MAR 27 1980
DEP SEC HAS SEEN

4. WEAKNESSES ASSOCIATED WITH CSOC DEVELOPMENT APPROACH (p. 16)

"We found that the Air Force is proceeding with CSOC development based on the assumption that the critical need for a SOC justifies the deviation from standard Air Force, DOD, and OMB development and planning procedures. Further, the current CSOC planning lacks order and direction. And, finally, the Air Force plans to use outmoded technology based on the assumption of short term cost avoidance."

a. Air Force deviated from standard procedures. (p. 16)

"In our opinion, the most cost effective CSOC requires extensive integration of SOC and SOPC which should be defined in a single Mission Element Needs Statement as the first planning step."

Comment: The GAO makes a judgemental assertion that the most cost effective design solution to meeting two separate mission requirements is an integrated facility, and based on this judgement suggests that the requirement sould be redefined into a single Mission Element Need Statement. Mission effectiveness must be considered along with cost effectiveness. While full functional integration theoretically could be more cost effective, it is not, under the circumstances, judged to be the most mission effective. Real world factors significantly impact the operational responsiveness of an "integrated" approach in meeting mission needs of all segments. This problem is particularly acute when two separate and distinct existing operational capabilities, i.e., satellites and shuttle control, must be maintained during respective transitions and these transitions commence from widely differing initial computational and software configurations.

However, the collocation of mission functions does have benefit with respect to shared administration, facilities, and logistics since these support functions are generally less sensitive to changing needs of the individual elements. The appropriate degree of integration is typically addressed in analyses preceeding the design implementation, i.e., during specification development and functional integration will be included to the extent that it is economically and operationally prudent. The establishment of the CSOC program was based on validated needs and reasoned consideration of alternatives.

"We recognize that a lack of overall system coordination and planning has led to a situation where the immediate replication of SCF at a location like Colorado Springs is urgent. We disagree however, with the premise that such urgency warrants the immediate construction of a consolidated facility for which the exact role and mission is to be defined at some later date."

Comment: Proceeding with a SOC replicating SCF while deferring CSOC is totally inconsistent with the GAO assertion that CSOC should be a fully integrated facility.

"The Air Force has said that it intends to integrate the various components of CSOC and their outside users and coordination points through some form of internetting. Internetting, we agree, is a viable mechanism for reducing the duplication and improving the effective application of resources. Internetting, while a possible short term solution, in our opinion is not the answer to the need for an integrated space operations management system in DOD."

Comment: The "integrated space operations management system" GAO believes is needed appears to be an organizational issue rather than a concern that pertains to a design approach to meet specific mission requirements.

b. Ref: The problem of utilizing outmoded technology (p. 19)

"The SCF and JSC are currently upgrading their computers...the DSM plan for SCF calls for ...IBM 3033 and 4341 computers... If a normal automatic data processing development cycle had been followed, the advantages of more capable scientific computers could have been considered."

Comment: Computer systems for the Space Operations Complex are being procured as options to the Data Systems Modernization (DSM) Program of the Satellite Control Facility. This program has followed a rigorous development cycle beginning in Jul 1979 with a competitive design phase and the recent award of a development/acquisition contract to IBM in Dec 1980. IBM's solution is designed around its 370 series equipment. The design uses small scale computers (4341s) in Mission Control Complexes (MCC) which have relatively low processing requirements and larger mainframes (3033s) only where the additional computational capacity is needed. The IBM 370 series machines are software compatible allowing development of one set of shared software and the use of the large body of off-the-shelf software available on the IBM machines. New family members are introduced to the 370 series regularly, allowing software compatible upgrades to newer hardware technology. Furthermore, a very competitive IBM compatible mainframe market exists.

Array processing, while potentially advantageous for certain selected portions of the AFSCF mission, is not beneficial for the bulk of the command and control activities in the MCC. The lack of software development tools on large array processors also restricts their utility for DSM. In general, the computer selection for the DSM was specifically sized for the mission requirement. It should be noted that the architecture with the current mainframes provided 50% growth capacity as well as the upward compatibility. More capable processors are not warranted based on mission projections.

"Besides modern hardware, new developments in software technology have not been recognized....We have noted that SOC and SPOC are written in older languages, Jovial and Fortran... DOD is currently standardizing on a new high level language called Ada...we believe that converting programs to Jovial J-73 then having to convert into the DOD standard ADA language is not a cost effective approach.

Comment: DSM is the first major program to make use of ADA structure. Although there are no compilers now available for the language, the DSM is following a software development methodology which exploits modern programming techniques and the ADA structure to provide modular, maintainable software. The ADA product specifications will be coded in JOVIAL J-73, the most advanced of the DOD approved programming languages for which a compiler exists. DARPA and the ADA Joint Program Office have specified that this DSM methodology be used as the model for command and control software development. The logic to remain with JSC - common software for SOPC applications is dictated by the common sense operational requirement to insure interoperability with the NASA system and operate the Shuttle with a single set of software under central configuration management.

"...no further software language decisions are expected until after 1990, when the system is supposed to be fully operational. This means that when the system reaches operational capability, the Air Force will probably face a major system hardware and software redesign."

Comment: This conclusion is not valid. Major block changes in the software are accomplished as the mission requirements dictate. The DSM implementation methodology supports use of ADA language when ADA compilers become operational. However, it is not clear that recompiling the CSOC software would be necessary or even desirable just for the sake of code commonality. The software structure will exist to allow adaptation to other missions should the need arise.

5. Ref: AVAILABLE COST ESTIMATES ARE NOT FIRM (p. 21)

a. Evolution of estimated life-cycle cost
"In the summer of 1979 ... a CSOC would cost about $500 million...by the fall of 1979, the total development cost was revised upward to $1.3 billion."

Comment: Meaningful comparisons of cost estimates are difficult without careful review of the underlying assumptions, including base year dollars, program start dates, projected IOC dates, inflation indices and other factors.

The current estimates for development and acquisition are $900 million through IOC (for both satellite and Shuttle control) and $1200 million through FOC. These cost projections have increased since CSOC inception, but the uncertainties have been greatly reduced. The Data System Modernization project is now on contract with options for CSOC satellite control equipment. NASA has successfully flown the orbiter and is working with Space Division to design the Shuttle control systems. Facility design is beyond 35% complete.

b. Combining SPADOC and CSOC (p.22)

"Because of these similar computational algorithm and data base requirements, SPADOC appears to be an excellent candidate for functional integration within the CSOC." And previously: "Because of the time criticality associated with defensive measures that can be taken, coordination between the SPADOC and CSOC would logically require real-time data exchange between their computers."

Comment: There is a distinction between the military command control functions of the SPADOC and the technical control functions of the CSOC (and other satellite control sites such as the Satellite Test Center, dedicated mission ground stations of the DSP, and others). The Air Force has examined the relationships between SPADOC and CSOC and recognizes the similarity of some computational tasks. These tasks, however, are a subset of the overall functions of each facility; the differences are as significant as the similarities. For example, SPADOC does not perform mission planning or command generation for U.S. spacecraft; CSOC does not maintain data on foreign space objects nor correlate indications and warning data. The Cheyenne Mountain Complex exchanges real time data with other command centers such as the SAC Command Post and the National Military Command Center in addition to interfacing with space control elements. The real time computer exchange of data between SPADOC and CSOC would not be unique.

Close interactions between SPADOC and all space control elements (including CSOC) will enhance mission effectiveness, and collocation of SPADOC and CSOC was considered. However, collocation in the Cheyenne Mountain Complex is not feasible due to physical space limitations; collocation in the CSOC does not recognize the integral nature of the SPADOC in the CINCAD command structure, working directly and intimately with the Cheyenne Mountain Complex Command Director in accomplishing the entire spectrum of Space Defense missions.

10. Ref: CONCLUSIONS (p. 24)

"The current construction of a Control Mode capability at Johnson Space Center, in our opinion, removes the element of time criticality for a SOPC capability at Colorado Springs."

Comment: The Controlled Mode was designed from the onset as an interim capability with limited capacity and restricted security. The initial DOD operations will require workarounds, particularly for classified Shuttle missions. The projected JSC capacity cannot meet the DOD mission model without severely impacting civil missions. The DOD Mission Model shows a DOD flight rate which exceeds the JSC capacity of 6 to 8 flights per year by 1987. Deferral of CSOC would result in either a Shuttle control capacity deficit or implementation of costly measures at JSC that fall far short of the stated DOD operational requirement.

"We believe that the current developmental approach could lead to extensive problems and may not meet mission requirements once they are known."

Comment: The Air Force agrees that CSOC integration will be one of the more challenging aspects of the program. The current development approach recognizes this fact and the first CSOC procurement will be for an Integration Support Contractor. The Request for Proposal (RFP) for this effort was issued to industry on 1 Dec 81. We do not agree that the mission requirements are undefined. The mission requirements have been successively defined from the top level requirements (Mission Element Need Statement) down to the lower system level requirements (SOC, Baseline System Description, Task Force Report, D&R document).

"The final configuration plan of CSOC has not been completed, the programs that it will ultimately support have not been fully identified and, interfaces of CSOC with other space exploitation system users and operators are not clear."

Comment: The CSOC Definition and Requirements Document, 20 Oct 81, describes the CSOC configuration including satellite program allocation. While continuing refinement will take place, the configuration plans and activation philosophy are defined. Facility design has proceeded beyond the 35% completion point.

AEROPROPULSIONS SYSTEMS TEST FACILITY

Senator **Thurmond.** Now about the aeropropulsions systems test facility. Last year you reported a major cost overrun to the committee on the ASTF project at Orange, Tenn. Can you tell us where that situation stands today? Do you have that project under control and were your revised project costs accurate? You can provide details for the record.

General **Wright.** Yes, I would like to do that. The project is under control, Mr. Chairman.

[The information follows:]

Aeropropulsion Systems Test Facility (ASTF)

I can report to you that as we stated earlier, $138.4 million is required to complete the project. About $96.5 million of this has been provided by the Congress and is being obligated; $42 million is still required in the 1983 program, and we are confident that this project is now under control.

We have tightened up and executed extraordinary management procedures and I feel very sure that we will be able to bring this project in within the $138.4 million provided by the Congress.

SUFFICIENT FUNDING FOR COMPLETING FACILITY

Senator **Thurmond.** Can you assure us that the $42 million that you were seeking in fiscal year 1983 will be the final request for funds necessary to complete the facility?

General **Wright.** Sir, to the best of my ability, I believe that the funds that we have asked for in fiscal 1982 and 1983 will complete the project on time and within cost.

AIR FORCE ACADEMY ENLISTMENT AND TRAINING CENTER

Senator **Thurmond.** On the Air Force Academy enlistment center and training center you have asked for $3 million for an airmanship training facility at the Air Academy. The justification for this project is to teach expanding soaring and parachute training program. Is this training required of all Academy students, or is it something they can elect to do for recreation?

General **Wright.** Soaring is required training for all students beginning in fiscal 1983, and this program, Mr. Chairman, replaces the T-37 jet aircraft flight orientation program for cadets and it will save about $2.5 million a year. Parachuting is optional for the cadets at the Academy. Right now there are about 800 students in the parachute program but there would be more if we had the facilities to provide for them. None of the training is considered recreational.

Senator **Thurmond.** Why should appropriated funds be used to pay for all of the visitors' centers? In the past, this committee has felt that visitors' centers or museums should be funded with nonappropriated funds and that a fee should be charged to defray expenses.

General **Wright.** Mr. Chairman, we feel as though the theater and display areas in the visitors' center serve to explain the Air Force and the Air Force Academy heritage and mission. Not only does it tell the Air Force story but it serves as a recruiting aid.

The use of nonappropriated funds, we feel, is not appropriate since it serves the general public rather than military personnel and their dependents. A precedent has been established for use of appropriated funds for visitors' centers. This was done at the Kennedy Space Center and at the Arizona Memorial in Honolulu in Pearl Harbor.

Our general counsel tells us that we cannot charge the general public to use facilities constructed from appropriated funds.

GIFT SHOP AND RESTAURANT FACILITIES

Senator **Thurmond**. I know that you are building part of the visitor center with nonappropriated funds; $1.9 million will be generated to build a gift shop and restaurant. How did you decide on this split?

General **Wright**. The split was based upon those areas of revenue-producing and those that are not. The restaurant and gift shop will be run by the Air Force Academy Athletic Association, and revenue from that activity will support the intercollegiate athletic activities involving the Academy. They have a nonappropriated fund loan that will be repaid from proceeds. The display and other portions of the visitors' center will be provided for with appropriated funds and these are not revenue-producing areas.

STRATEGIC RANGE TRAINING COMPLEX

Senator **Thurmond**. On the strategic range training complex, you have requested about $3 million to acquire land and to build facilities at Powell, Wyo., as part of a strategic training range complex. I wish you would discuss the total requirement for this complex, what specific sites are you looking at and what will be the total cost.

Would you want to supply that for the record?

General **Wright**. I have a summary of that, sir, if you would like.

Senator **Thurmond**. All right. Go ahead.

General **Wright**. Military construction will be required for six sites—Powell, Wyo., this year in fiscal 1983, two additional sites in Montana in fiscal 1984, and the remaining three sites will be in fiscal 1985. Construction costs for the total complex will be about $50 million.

Senator **Thurmond**. Why cannot this requirement be accomplished at existing bases under existing facilities?

General **Wright**. This is not the type of operation that lends itself to using existing bases. Essentially what this is is an expansion of the Strategic Air Command low-level training route for air crew training and it operates in a network of air corridors throughout densely populated areas of the country.

Fixed and mobile sites are used to simulate threat radars, ECM and surface-to-air missiles.

SUBMITTED QUESTIONS

Senator **Thurmond**. I believe that completes my questions in open session. We have some questions for executive session, but if you would like to answer those for the record, I am willing for you to do that.

General **Wright**. Very well, sir.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

SUBMITTED QUESTIONS

Consolidated Space Operations Center (CSOC)

Question: Discuss the requirement and scope of the CSOC. Why does the Air Force need another new headquarters?

Answer: The CSOC will not be a headquarters; it will be an operations center. The functions of the CSOC are twofold: control of on-orbit DOD satellites and conduct of DOD Shuttle missions. The requirements for the CSOC include the following:

- The need for increased survivability to minimize space system degradation in case of natural disaster or hostile acts.
- The need to reduce vulnerability to intelligence collection, sabotage, covert attack and jamming.
- The need for DOD to fly more complex and more secure Shuttle missions than are feasible at Johnson Space Center.
- The need to provide DOD with positive and continuing control of military Shuttle operations.

The scope of the CSOC program includes the site preparation and facilities construction as well as the acquisition, installation and checkout of the technical systems. These include the Satellite Operations Complex, the Shuttle Operations and Planning Complex, and the Communications segment. The program also includes integration activities to tie the above segments together.

Question: Aren't you under some kind of constraints on proceeding with this project as a result of actions by the Appropriations Committee last year?

Answer: Yes. The conference report on the FY 1982 Military Construction Program issued by the Senate Committee on Appropriations directed that no funds be used for site specific CSOC design. This restriction was for a 60 day period to provide Congress an opportunity to review a forthcoming GAO report on the CSOC. The report was issued on 29 January and the review period expired at the end of March. However, subsequent correspondence between the Air Force and the Committee Chairman has resulted in agreement to refrain from design effort past the 60% completion point pending resolution of current issues before the Committee.

Question: The prime justification for this facility appears to be to handle military space missions. Why can't NASA facilities be used for this purpose?

Answer: It has been a national policy to separate the military and civilian exploitation of space. The Air Force and NASA satellite control networks are not compatible because of technical differences that have evolved. These include frequency allocations, data formats, and geographical location of tracking stations. The DOD needs a control center that is compatible with military satellites and can operate with the existing world wide Air Force satellite control network.

DOD will use NASA facilities for initial DOD Shuttle missions. The Johnson Space Center is being modified to allow operation in the Controlled Mode, an interim configuration which will accommodate SECRET DOD missions. However, the Controlled Mode capacity to handle classified DOD operations is limited and protection for information higher than SECRET cannot be provided. In addition, the open nature of NASA's civilian facility is not suitable for long term military operations.

There is another advantage of CSOC that involves the close interactions with the payload control center needed to fully exploit the Shuttle. The collocation of DOD satellite mission control and the Shuttle mission control, not possible at JSC, greatly increases the potential for expanding military applications of the Shuttle.

Question: Why have you broken this project into two phases -- do you need Phase II to have an operational capability?

Answer: Both construction phases are required for a complete and useable CSOC. Phase one in this program contains those facilities with the longer two year construction period; phase two facilities can be completed in one year. Construction completion for the CSOC is scheduled for the summer of 1985.

Question: Do you plan to close your facility at Sunnyvale, California, once this facility is complete?

Answer: No. The Satellite Test Center in Sunnyvale will continue to operate as part of the Satellite Control Facility network. The CSOC will also operate as part of this network. The satellite mission control functions would be distributed between these control centers. Each center would be primarily responsible for a portion of the overall satellite control workload and would provide backup for the alternate center.

Question: Can't you modify the facilities at Johnson Space Center (NASA) and Sunnyvale, California, instead of building this expensive new facility?

Answer: No. There are inherent limitations at both Sunnyvale and at Johnson Space Center (JSC). Sunnyvale is already very crowded and expansion is limited. JSC is an open NASA facility and there is a fundamental conflict between the NASA and DOD approach to space operations. Of even more concern is the continued reliance on the Sunnyvale facility as a single critical node for DOD satellite control and reliance on JSC as the nation's only Shuttle control capability. Modifications to Sunnyvale or JSC can satisfy only part of the CSOC requirements and would not allow the close interactions between the payload operators and the Shuttle controllers that we believe is an essential element in taking full military advantage of the Shuttle.

Question: Last year, the Congress denied funding for COBS, insisting that they be funded with NATO Infrastructure funds. I understand that NATO has responded and included $32 million in NATO funds in 1983 for COBS. You are back this year for additional funding for COBS. With NATO now funding these bases, why should the U.S. taxpayer be asked to pay full costs?

Answer: We are not asking the U.S. taxpayer to pay the full cost. But even if we were, the COB program would be a bargain for what it contributes to readiness in meeting the threat in Europe--especially in the mid to late 80s. While NATO has indicated it will provide about $32 million in 1983 for COBS, that is only a portion of the total requirement. As we look into the next two funding years (slices 34 and 35), we see very little money left to support the many competing programs. Cost overruns and inflation have taken their toll in the current NATO five-year funding plan. Moreover, competition has been stiff from high priority programs with large funding profiles such as: facilities for the Ground Launched Cruise

Missile; NATO Static War Headquarters; Army Prepositioned Organizational Material Storage Sites (POMSS) and airfield facilities to support modernization of in place forces. Yet, we face a threat that continues to grow. U.S. pre-financing through MCP funding would bridge the gap. Although we are confident that NATO will eventually fund COB requirements, it would be imprudent to sit by and wait when we need COB facilities now. Also, it is especially important to remember that all MCP funds requested are recoupable; COB MCP prefinancing is therefore not a giveaway program. In fact, of the $32 million NATO will provide for COBS in 1983, nearly $6 million is recoupment monies for previously prefinanced projects. Hence, not all of the $32 million will buy the new construction so badly needed. Yet, these recoupment monies indicate NATO's intent to pay back what is prefinanced.

Question: I must compliment you on your lobbying effort for this COB funding for FY83. The Adjutant General from South Carolina called to urge me not to cut this money. You should understand that I support the concept of COBS and I want to see them built--but they are in support of NATO and I think NATO funding should be pursued to the maximum extent possible--especially since NATO has now indicated a willingness to fund COBS by including $32 million in their 1983 program. Are you satisfied that you have pursued every option for NATO funding?

Answer: For COBS, there is one funding source in NATO and that is the NATO Infrastructure Construction Program. It is a complex system which must consider the needs of many nations and their services. At SHAPE, in preparing recommendations to NATO for infrastucture funding, inputs given the most weight are those from SHAPE's Major Subordinate Commands (MSCS); i.e., Allied Forces Northern Europe (AFNORTH), Allied Forces Central Europe (AFCENT) and Allied Forces Southern Europe (AFSOUTH). Hence, any effort to influence funding priorities must include not only SHAPE, but the MSCS and also their subordinate agencies. With that in mind we have and will continue to take those measures necessary to obtain support for NATO funding of COBS. Accordingly, we have taken the COB MEF story to the MSCS, SHAPE, the NATO Military Committee and Headquarters U.S. European Command (EUCOM), which is the command that integrates total U.S. priority funding requirements with NATO through the MSCS. We are also scheduled to meet with those agencies subordinate to the MSCS which provide funding recommendations to the MSCS; i.e., HQ Allied Air Forces Central Europe (AAFCE) as well as the 2nd and 4th Allied Tactical Air Forces (ATAFS). While our initiatives with the NATO community are going strong, bear in mind there are other high priority programs with large funding profiles that are competing for the same funds, such as GLCM, POMCUS and Inplace Force Modernization. Now we find ourselves facing the next two NATO funding years (which are the last of the current cost sharing period) with practically no funds left. Moreover, the build-up of total NATO projects, including the U.S., extends overall requirements well into the next five year slice group which covers calendar years 1985-1989. Meanwhile, the threat continues to grow in quantity and quality. In this context, it therefore makes good sense to seek a more near term solution (i.e., MCP prefinancing) to the the requirement for COB Minimum Essential Facilities (MEF). The essence of the need was best stated by CINCUSAFE in this written testimony to the House Appropriations Committee Subcommittee on Military

Construction on COB MEF: "...Beyond the cold statistics of money and hardware,...I am vitally concerned that we are presently faced with committing the people in our reinforcements to fight without assuring they have at least the minimum essentials to fight with. If there is a bottom line to the COB story, then I believe this is it."

(The information follows:)

(Deleted).

Question: Review your progress on getting facilities built to support the deployment of the ground-launched cruise missile at Greenham-Common in the U.K. and at Comiso in Italy. What will be the total facility cost at each site?

Answer: At Greenham-Common the NATO funded operational facilities are under construction and $3.1 of our $12.6 million FY 82 MILCON program is underway. The remaining FY 82 MILCON will be awarded during the next three months. At Comiso the NATO funded construction will be awarded in late 1982 while the site work in the FY 1982 milcon program has been awarded and the remainder will be awarded through the summer. The total MILCON cost at Greenham-Common is estimated at $47 million with a NATO infrastructure estimate of $49 million. The Comiso estimated MILCON requirement is $112 million and the NATO funding is estimated at $57 million.

Question: How many other sites will receive GLCM and what will be the cost?

Answer: There will be four more beddown sites. The US MILCON for those sites will be about $273 million including the $50 million in FY 1983 for the third location. NATO infrastructure funding at those sites will be about $156 million.

Question: Are you satisfied with the level of NATO funding in support of this GLCM?

Answer: Yes! NATO has provided the full funding requested and has made those funds available in a timely manner to support construction. However, we intend to seek additional funding for non-operational facilities -- this will be an exception to current NATO philosophy and will take some time.

RDF CONSTRUCTION

Question: Review for the Committee your construction requirements in support of the RDF.

Answer: (S) In Oman, we have programmed $300 million over a five year period at three locations to support tactical fighter operations and prepositioning initiatives.

(S) At Masirah, we are improving the runways, taxiways and aprons as well as upgrading the base utility systems. In addition, we are constructing POL and munitions storage to support a (deleted) as well as strategic airlift. At both Seeb, the international airport outside of Muscat, and Thumrait, we are proposing to construct additional apron space, POL and munitions storage, War Readiness Material (WRM) prepositioning support facilities and utility system improvements to support a (deleted) strategic airlift and prepositioning.

(S) In Egypt, we have programmed $325 million over a four year period at two locations to support strategic and tactical airlift, rear staging (deleted).

(S) At Cairo, we are proposing to construct an additional jet fuel pipeline to connect the major airfields in the area to the POL storage facilities. At Ras Banas, we are planning to upgrade the runway and taxiway, construct four large parking aprons, construct POL and munitions storage, upgrade and construct utility systems, modify existing facilities for prepositioning, construct limited maintenance facilities and provide cantonment support for 8,000 personnel. This will provide a base capable of supporting strategic and tactical airlift, rear staging of a (deleted).

(S) At Diego Garcia, we plan to spend $196 million over a five year period to support the air refueling of a (deleted). Construction includes a large apron, parallel taxiway, and strengthening the runway (deleted). Also, we are proposing to construct additional POL storage and an enlarged distribution system, munition storage and support facilities, and a cantonment area.

(S) At Lajes, we have programmed $122 million over three years to support a throughput of (deleted). Construction includes the renovation of existing POL storage and distribution systems, additional POL storage of 2½ million barrels and upgrade of the base power plant and other support facilities.

Question: At each of the sites where you have RDF facilities, do we have country-to-country agreements that will permit us to use these facilities once they are constructed?

Answer: In June 1980 the United States Government (USG) concluded an agreement with Oman which made Omani facilities available in a crisis after consultation and joint agreement. Routine operations are restricted to administrative traffic and fleet support.

Since 1951 the Portuguese have allowed the USG to use Lajes as an enroute refueling stop. (Deleted).

The USG and Britain agreed in Feb. 1976 to expand the use of Diego Garcia. According to the agreement, normal operations into the island only require notifying the on-island UK officer in charge. In other circumstances, the use of the facility shall be a joint consultation between the two governments.

The late President Sadat verbally granted US access to Egyptian facilities (deleted). This was later reaffirmed (deleted). President Mubarak has verbally endorsed Sadat's approval shortly after Sadat's death and more recently to a visiting Congressional delegation.

Question: I have been advised that the Pre-Launch Survivability (PLS) project for an alert-dedicated runway and new alert facility at Loring AFB, Limestone, Maine will be included in the FY 1984 Military Construction Program (MCP). Are these projects included in the FY 1984 Military Construction Program?

Answer: Yes, they are high on the list of priority facilities being proposed for inclusion in the 1984 Air Force Military Construction Program.

Question: Does the Air Force anticipate any slippage in the project's FY 1984 timetable?
Answer: At this time, we do not anticipate any slippage of these projects from our proposed FY 84 MCP. However, the FY84 Program Objective Memorandum (POM) deliberations are still on-going. Fiscal constraints, relative priorities and follow-on reviews could impact project timing.

Question: What priority has the Air Force assigned these projects?
Answer: Following our recent decision and announcement to retain the B-52Gs at Loring vice converting to B-52Ds, these projects are a part of the FY 84 Air Force Military Construction Program deliberations. However, as previously discussed, the final composition of this program is still under review.

Question: Can the Air Force assure this committee that these projects will not be deferred?
Answer: No. While these projects are being favorably considered during FY84 POM deliberations, there can be no assurance during the planning, programming and budget cycle that any project in our proposed FY84 MCP will survive all future priority and fiscal reviews.

MX MISSILE

General WRIGHT. Mr. Chairman, if I could, I would like to clarify something on the MX that we were discussing earlier regarding the MX funds in fiscal 1983.

If Congress were to cut funds for the interim silo basing, our current planning and design funds are based on the silo basing mode. If the SAS action to require permanent basing mode by December 1, 1982, is sustained, the amount of planning and design would depend on a permanent basing mode selection.

We would like to clarify also that there is a total requirement, as we see it now, of $56 million for logistics support facilities and $29 million for planning and design.

Senator THURMOND. All right. Is there anything else you wish to say?

General WRIGHT. No, sir. I appreciate the opportunity to appear before the committee.

SUBCOMMITTEE RECESS

Senator THURMOND. Thank you for your appearance and the information you have given us and we now stand recessed until 10 tomorrow.

[Whereupon, at 11 a.m., Thursday, April 22, the subcommittees were recessed, to reconvene at 10 a.m., Friday, April 23.]

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1983

MILITARY CONSTRUCTION CODIFICATION BILL

FRIDAY, APRIL 23, 1982

U.S. Senate,
Subcommittee on Military Construction
of the Committee on Armed Services,
Subcommittee on Military Construction
of the Committee on Appropriations,
Washington, D.C.

The subcommittee met at 10:05 a.m., pursuant to notice, in room 212, Russell Senate Office Building, Senator Strom Thurmond (chairman of the Subcommittee on Military Construction of the Committee on Armed Services) presiding.

Present: Senator Thurmond.

Armed Services Committee staff present: James C. Smith, professional staff member; Paul C. Besozzi, minority counsel; and Marie Fabrizio Dickinson, staff assistant.

Appropriations Committee staff present: Rick Pierce, professional staff member.

Also present: Frank Krebs, assistant to Senator Cannon.

OPENING STATEMENT BY SENATOR STROM THURMOND, PRESIDING

Senator Thurmond. The subcommittee will come to order.

Today we are completing our series of hearings on the fiscal year 1983 military construction authorization request. We have several witnesses who have asked to be permitted to testify on a range of subjects, and I am advised that every request to testify can be accommodated if we move expeditiously this morning.

Several Senators have asked to testify on specific projects and we will accommodate their schedules and hear from them as soon as they are present. In addition, we have witnesses from military and engineering associations who have expressed a particular interest in the pending military construction bill.

This hearing is open to the public and I see no reason to get into classified information.

For the information of the subcommittee members I would expect that we will try to mark up this bill during the week of May 3 through May 7.

We have a number of witnesses, I understand, who wish to testify. Senator Abdnor from South Dakota, I believe is here. We will be glad to hear from him at this time.

I understood that Senator Pressler was interested in testifying too. Will you be speaking for him?

STATEMENT OF HON. JAMES ABDNOR, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator **Abdnor.** I don't know that I can speak for him completely. I think he would say pretty much what I will say. I know he intended to be here.

Senator **Thurmond.** You might tell him if he wishes to put a statement in the record, he may do so.

Senator **Abdnor.** Fine. I will.

Senator **Thurmond.** We are pleased to have you with us, Senator. You may go ahead.

Senator **Abdnor.** Thank you, Mr. Chairman. I always look forward to appearing before your subcommittee.

ELLSWORTH AIR FORCE BASE

Thank you for the opportunity to testify in support of two badly needed dormitories at Ellsworth Air Force Base, the SAC base near Rapid City, S. Dak.

Ellsworth received a substantial construction budget for the current fiscal year, but virtually all of it is related to its cruise missile function. People-related facilities there have been neglected for many years, to the point that it is hurting retention of highly skilled, professional airmen. I just wish I had a movie film to run and show you the neglect which has taken place there.

In order to properly accommodate single airmen residing on base, their living quarters must provide sufficient space, environmental comfort and a degree of privacy necessary for proper rest, relaxation and individual well-being.

Modern, decently appointed living quarters which will attract and retain competent personnel are essential for maintaining an effective, All-Volunteer Air Force.

On Ellsworth there is a total of 21 dormitory facilities. Fifteen of these were built as semipermanent construction for use during the Korean war. They are now 30 years old. I have some photographs which will assist members of the subcommittees in visualizing what we are talking about here. I will leave them with you, so that as I am talking you can see what I am referring to, sir. They very visibly tell the story, probably better than words can.

Seven of these facilities never have been upgraded to even a semblance of modern standards. They lack privacy, have thin walls, are energy inefficient and are very costly to maintain. I need not tell our good chairman that the weather up in South Dakota does get a few degrees colder than down in South Carolina and a lot of heat goes out through those walls.

Senator **Thurmond.** Incidentally, I spoke in your State several years ago and I know what you are talking about.

Senator ABDNOR. Both walls and roofs are poorly insulated; and the windows leak air and dust. The original electrical system is undersized and improperly wired for modern usage. Rooms lack individual heat controls. Heat pipes and radiators frequently leak.

A central latrine is shared by 14 people. This latrine includes two shower stalls, two waterclosets, two urinals and four lavatories. Current standards call for semiprivate bathrooms between every two bedroom units.

The dorms with central latrines severely limit effective use of available space for housing a mixture of male and female personnel. With more women recruits these days, equitable space usage is very difficult to maintain with the existing configuration.

Unless adequate dormitory facilities are provided, morale will continue to decline and the Air Force will lose some valuable people.

The replacement dormitories we are proposing would each house 250 airmen and women. They narrowly missed the cut on this year's construction program developed by SAC headquarters. They are already beyond the 35-percent design phase required by your subcommittees. Construction could begin this fall, consisting of cement block with brick veneer. Each room would have two beds with a small study and a more private bathroom than in the old dorm.

The cost of these dormitories is estimated at $7.2 million. The design of the 250-man dormitory—and this is what is important, Mr. Chairman—the design of the 250-man dormitory at another SAC base could be site adapted, thus allowing the Air Force to take advantage of the current depressed conditions in the construction industry and obtain bids very favorable to the taxpayers.

The old dorms would be utilized for administrative and training space as well as for an NCO Leadership Training Center to serve several SAC bases.

Mr. Chairman, I am hopeful that the subcommittees can make offsetting economies in other areas in order to accommodate this project. I might add that the military construction budget request for Ellsworth AFB for fiscal year 1983 provides only $1.35 million for a jet fuel storage facility, a high priority project which we, of course, support.

We also support the $340,000 requested for a 60-person Army National Guard Armory for the Medivac unit at the Rapid City Regional Airport and the $560,000 requested for an aircraft arresting system for the South Dakota Air National Guard at Sioux Falls. The three budgeted projects total $2.214 million.

Again, I thank the chairman and members for the opportunity to appear before you today.

I would just like to add one thing, if I could, to this. I have been out at the air base a number of times. When you decide which way you want to go to upgrade it, it is a pretty tough decision. I have been there in the wintertime with our young people. The maintenance buildings are World War II buildings which in extreme cold are difficult to heat.

But this is even worse. We just have to get started on upgrading that very important base out there because it is important to the whole SAC system.

Senator THURMOND. I am glad to have you with us. You have a made a very strong case.

I might say that the Air Force has a backlog of construction projects totaling some $20 billion. We have a tight budget. I was cautioned by Chairman Tower the other day to keep this budget down. We are going to have to eliminate some projects. We will do the best we can.

Senator ABDNOR. I am sure you will, Mr. Chairman. I know of your strong feelings for national defense.

Senator THURMOND. You are a good spokesman for your State and represent it well.

Senator ABDNOR. Thank you very kindly.

Senator THURMOND. Now we will go to the military associations. The first is the NCOA, the Non-Commissioned Officers Association, Sgt. Maj. CA. "Mack" McKinney, USMC (retired). We are glad to have you with us.

We shall also bring up the ROA and the National Guard Association. If you can limit yourselves to 10 minutes each, then if you have anything further you may put it in the record.

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF, USA, (RETIRED), EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General GREENLIEF. Mr. Chairman, I would like to present my full statement for the record and present a 5-minute summary.

Senator THURMOND. That is fine. You may proceed.

General GREENLIEF. Mr. Chairman, as I have had the opportunity to tell you previously, we deeply appreciate your personal support and the support of these committees, and I am delighted at the opportunity to appear before you in support of the fiscal year 1983 authorization and appropriation request for military construction, Army and Air National Guard.

The increased reliance which the United States has placed on the Army and Air National Guard for national defense, accompanied by personnel strength growth, increased equipment issue and expanded training activity has increased the requirement for facilities.

The combination of the increased requirement plus raging inflation has caused the construction backlog to grow. This has occurred despite increasing budget requests and the generosity of your committee. For these reasons, the estimated unfunded backlog of construction required by the Army National Guard was about $800 million at the end of fiscal year 1982 and the unfunded backlog of the Air National Guard at the end of fiscal year 1982 was estimated at $574 million.

Last year the Congress added $20.5 million for military construction, Army National Guard, and as a result the projects which we last year listed as ready to build but not then authorized and funded can now be built.

Considering the magnitude of the backlog, there is obviously a long list of projects which need to be built; however, at this time either those projects have not been designed in sufficient detail to qualify for authorization or the States' lack of funding or sites would not now justify authorization and Federal funding. So, we urge full authorization and subsequent full funding of the $51.1 million fiscal year 1983 MCARNG program.

An additional requirement does exist in the fiscal year 1983 Army Guard program estimated to cost $8.5 million. The increased issue of common table of allowance, CTA, clothing and equipment, which will occur in fiscal year 1983 and future years because of the increased funding to procure these items, will require the construction of a regional storage facility in each of the 50 States.

Today's Army Guard armory supply rooms, built in accordance with existing OSD criteria, in many cases no longer provide adequate storage space. To solve the space problem, small, unheated metal storage buildings are being built on armory property to provide space for equipment storage. This construction, dictated by increased equipment issue, should be 100-percent federally funded.

Today, Army National Guard minor construction costs are limited to $175,000 per project. Just last year, Active Army and Air Force minor construction limits were increased from $500,000 to $1 million. That was to compensate for the ravages of inflation. Now that same inflation problem exists in the Army National Guard and I recommend that the minor construction limit for Army Guard projects be increased to $300,000.

We fully support the military construction Air Guard 1983 budget request of $106.8 million, but there are two additional MCANG projects, of which I believe your committee and subcommittee have prior knowledge. They would have been included in the fiscal year 1983 program, except that unavoidable project development delay precluded the inclusion of the projects in the 1983 budget.

These projects are the Southern Arizona Auxiliary Airfield at Libby Army Airfield, Fort Huachuca, Ariz., at $28 million and at Stewart Field, N.Y., a requirement of $12.3 million, for a total addition of $40.3 million.

Mr. Chairman, 50 percent of the Air Force's flying squadrons which are scheduled to deploy to Europe fly from, or are scheduled to fly from, the colocated operating bases in NATO. Minimum essential facilities must be available at those bases if Guard and Reserve squadrons are to be able to fly and fight. We, therefore, strongly support the Air Force's request of $28.6 million for construction of those colocated operating bases.

We urge that your subcommittee recommend the addition of $8.5 million to the MCARNG appropriation for the construction of regional facilities, and we urge that you recommend the addition of $40.3 million to the Air National Guard program for the project at Southern Arizona Auxiliary Airfield and at Stewart Field, N.Y.

Again, I appreciate very much this opportunity to appear before you.

Mr. Chairman, we do deeply appreciate the continued support which your committee and subcommittees have provided to the Army and Air National Guard. We pledge to you to produce the maximum combat readiness possible for the resources provided.

Thank you, sir.

Senator THURMOND. Thank you, General. You have done an outstanding job with the National Guard. We congratulate you and are glad to have you here.

[The prepared statement of General Greenlief follows:]

PREPARED STATEMENT BY MAJ. GEN. FRANCIS S. GREENLIEF (RET.), EXECUTIVE VICE PRESIDENT OF THE NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

Mr. Chairman, and members of the subcommittees, I am Major General (Retired) Francis S. Greenlief, Executive Vice President of the National Guard Association of the United States. I appreciate this opportunity to appear before your subcommittees in support of the fiscal year 1983 Authorization and Appropriations Requests for Military Construction Army National Guard (MCARNG) and Military Construction Air National Guard and to recommend certain increases.

GENERAL

The increased reliance which the United States has placed on the Army and Air National Guard for national defense, accompanied by personnel strength growth, increased equipment issue, and expanded training activity has increased the requirement for facilities. The combination of the increased requirement plus raging inflation has caused the construction backlog to grow. This has occurred despite increasing budget requests and the generosity of this subcommittee.

For these reasons the estimated unfunded backlog of construction required by the ARNG was about $800 million at end fiscal year 1982. The unfunded backlog of Air National Guard construction was estimated to be $574 million at end fiscal year 1982.

ARNG

Last year the Congress added $20.5 million for MCARNG. As a result, the projects which we listed last year as ready to build, but not authorized and funded, can be built.

Considering the magnitude of the backlog, there is obviously a long list of projects which need to be built. However, at this time, either those projects have not been designed in sufficient detail to qualify for authorization, or the States' lack of funds would not justify authorization and Federal funding.

As a matter of fact, the States are beginning to experience great difficulty in obtaining adequate State funding to support the States' 25-percent share of funding for armory construction. In addition, the Adjutants General are experiencing difficulty in getting sufficient State funding to support the 100-percent State cost for armory operation and maintenance. This State funding problem is not the result of any lessened State desire to support the National Guard. Rather, the problem stems from the great pressure place on State budgets because of reductions in other Federal nondefense programs.

The Adjutants General Association has developed a study which recommends that the Federal Government increase the Federal share of operations and maintenance costs. We fully support that study, and hope that the Department of Defense will, after evaluation of the study, make positive recommendations to your subcommittees concerning the additional funds required.

The fiscal year 1983 MCARNG budget will permit construction of 20 armory projects and 23 nonarmory projects. Nonarmory projects include eight Vehicle Maintenance Facilities, three Logistics Facilities, four Aviation Facilities, and eight Training Facilities. The following chart summarizes the program ($ showing in thousands):

Major armory	$16, 150
Major nonarmory	16, 850
Minor construction	15, 100
Planning	3, 000
Total	51, 100

We urge full authorization and subsequent full funding of that program.

An additional requirement does exist in the fiscal year 1983 MCARNG program estimated to cost $8.5 million. The increased issue of Common Table of allowance (CTA) clothing and equipment which will occur in fiscal year 1983 and future years because of increased funding to procure these items will require the construction of a Regional Storage Facility in each of the 50 States.

These building will be unheated, metal storage buildings on concrete slabs with about 10,000 square feet of space per building. Since this construction would occur as Minor Construction, authorization is not required. However, a favorable recommendation by this subcommittee in language would be helpful as we seek an increase in MCARNG appropriations.

I also want to call this subcommittee's attention to a situation caused by the increase in quantities of equipment issued to most Army National Guard units to meet increased readiness requirements. Army Guard armory supply rooms, built in accordance with existing OSD criteria, in many cases no longer provide adequate storage space. To solve the space problem, small unheated metal storage buildings are being built on armory property to provide space for equipment storage. This construction, dictated by increased equipment issue, should be 100-percent federally funded.

A requirement exists to increase current limits placed on minor construction projects. Today, National Guard minor construction costs are limited to $175,000 per project. Just last year, Active Army and Air Force minor construction limits were increased from $500,000 to $1,000,000, to compensate for the ravages of inflation. That same inflation problem exists in the Army National Guard, and I recommend that the minor construction limit for National Guard projects be increased to $300,000.

ILLINOIS ARMY SITE—H.R. 3220

Although not directly related to the fiscal year 1983 Military Construction Authorization Bill, I do want to address an item of great importance to the Illinois Army National Guard.

H.R. 3220, introduced by Representative Hyde and others, would authorize the transfer of a ten-acre parcel of Federally owned land to the State of Illinois. This land is part of a larger tract licensed to the State of Illinois for use by the Illinois National Guard.

The purpose of the requested transfer is to provide an urgently needed armory site within the existing National Guard Maintenance Center. Normally, such a transfer would require compensation of the Federal government by the State. In this instance, the State has already spent at least $650,000 filling and reclaiming this swampy land. We believe that expenditure should be accepted in lieu of further compensation.

There are precedents for such a transfer. The State of Illinois and our Association urge that the Senate approve H.R. 3220 if that bill is passed by the House.

ANG

Last year, the Congress added $16.1 million to the MCANG program, bringing the fiscal year 1982 Appropriation total to $105.2 billion. The fiscal year 1983 MCANG budget request is $106.8. We are appreciative of the fiscal year 1982 Congressional add-on and the increase which the Department of Defense has requested in fiscal year 1982.

The following table displays the fiscal year 1983 MCANG program:

	Projects	Cost (millions)	Percent of total
Major construction:			
Operations	19	$19.4	18.2
Maintenance	15	21.8	20.4
Training	9	18.7	17.5
General support	24	28.5	26.7
Energy conservation	3	1.4	1.3
Subtotal	70	89.8	
Minor construction		9.0	8.4
Planning		8.0	7.5
Total	70	106.8	100

ADDITIONAL ANG REQUIREMENTS

There are two additional MCANG projects, which I believe both this subcommittee and the House Appropriations Military Construction Subcommittee have prior knowledge, which should be added to the fiscal year 1983 program. Unavoidable project development delay precluded the inclusion of the projects in the fiscal year 1983 budget request.

These projects are:

	Millions
Libby Army Airfield, Fort Huachuca, Ariz.: Construction runway/taxiway and apron for Southern Arizona Auxiliary Airfield	$28.0
Stewart Field, N.Y.:	
Site preparation	3.3
Repair/replace aircraft apron	4.0
Jet fuel bulk storage	2.0
Military construction planning and design	3.0
Total additional requested	40.3

JUSTIFICATION

Libby Army Airfield-Southern Arizona Auxiliary Airfield

The purpose of this project is to reduce overflights of the city of Tucson and reduce potential air traffic hazards created by the close proximity of the city of Tucson, Tucson International Airport (location of the 162d Tactical Fighter Group, Arizona ANG) and Davis-Monthan AFB. The project will provide a 12,000-foot runway, taxiways, apron and other supporting facilities for ANG and USAF use. Authority and funds for this project were earlier requested in the fiscal year 1982 MCANG budget request for construction at Marana Air Park. When the necessary agreements could not be reached, the project was deleted without prejudice. Because of a delayed final decision, initial engineering design could not be completed in time for submission in the fiscal year 1983 budget request. The design work is now 35 percent complete.

Stewart Field, N.Y.

Relocation of the 105th Tactical Air Support Group, New York, ANG, from Westchester County Airport, White Plains, N.Y., to Stewart Field is necessary for operational and safety reasons. The planned operation at Stewart Field will be a joint ANG/USMCR operation. Congress added $500,000 to the fiscal year 1982 MCANG Appropriation for initial planning of this relocation. Authorization and funding for design and planning completion and the beginning of some construction is necessary in fiscal year 1983 to permit major construction in fiscal year 1984.

SUMMARY

We urge that your subcommittees recommend the addition of $8.5 million to the MCANG appropriation for the construction of Regional Storage Facilities.

We urge that you recommend the addition of $40.3 million to the MCANG program for the projects at the Southern Arizona Auxiliary Airfield and Stewart Field.

Again, I appreciate this opportunity to appear before you. Mr. Chairman, we deeply appreciate the continued support which your subcommittees have provided to the Army and Air National Guard. We pledge to produce the maximum combat readiness possible for the resources provided.

Senator THURMOND. Who would like to be next?

Colonel PALMER. Mr. Chairman, with your permission, I will follow General Greenlief.

STATEMENT OF COL. DAVID G. PALMER, USAF (RETIRED), AIR FORCE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Colonel PALMER. Mr. Chairman, I am pleased to have the opportunity to appear before your committee today to present the views of the Reserve Officers Association on the construction requirements of the reserves forces of the United States. I will submit General Roberts' prepared statement for the record.

I know that you are aware that the direct expenditures of reserve components are limited to 5 percent of the defense budget, yet the services are relying to a very pronounced degree on those components upon mobilization. For example, more than 50 percent of the Army's combat units and nearly half of the total Army available on M Day would come from the reserves. Comparable statistics for other services are available.

Given this indication of reliance on reserves, it is natural to wonder why these forces are to a certain extent still being given second-class treatment when they are expected to deliver first-class performance within days or weeks in a crisis.

We are concerned that the $42.8 million requested in fiscal year 1983 for Army Reserve military construction does not realistically address the critical problem of replacing the 55 percent of the 1,075 Army Reserve centers and 181 maintenance facilities. The fiscal year 1983 budget funds 16 major projects in 15 States, including 5 new centers, 4 maintenance facilities, expansion and alteration of 5 existing centers, and improvement of 2 field training centers; however, we question the adequacy and level of resources that have been dedicated to reducing the construction backlog.

In 1982 the backlog was estimated at $848 million. The backlog estimate for fiscal year 1983 will be $938 million.

With validated requirements for construction amounting to $701 million, it would take some 25 years to just take care of the current identified requirements. The amount requested for fiscal year 1983, $82.5 million, is significantly less than the military construction funds appropriated in either 1982, $54.9 million, or fiscal year 1981, $38.7 million.

We urge the Congress to require the Secretary of the Army to submit a realistic, substantiated funding plan to eliminate the Army Reserve construction backlog within a reasonable timeframe.

Mr. Chairman, as the Chief of Naval Reserves and the Deputy Chief of Staff of the Marine Corps——

Senator **Thurmond**. Don't let me interrupt you, but I understood you were going to highlight your statement.

Colonel **Palmer**. Yes, sir.

Senator **Thurmond**. We will put your prepared statement in the record. There is no use in your reading it. That is duplication. Can't you just highlight it?

Colonel **Palmer**. Yes, sir. In the Marine Corps and the Navy we have a situation comparable to the Army. They have not asked, in our opinion, for the amounts they should. We think it is completely inadequate.

We have appended a list of projects that did not make their budget in 1983 which we think should be in there.

In the case of the Air Force, we have a much better situation and we support the requirements for the Air Force this year. The Air Force's request is dedicated mainly to building facilities that are required for the modernization that is going forward in the Air Force Reserve. There are five units currently converting this year to new aircraft.

We have one additional item we would like to emphasize for the Air Force, and that is the colocated operating bases in Europe. We believe that the money is well spent and that the survivability of these units, of the Guard and the Reserve and Active Force, depends upon having these facilities, and also they need these facilities to be able to fight when they get there.

That concludes my remarks, Mr. Chairman.

Senator THURMOND. Thank you.

I want to commend the ROA for the great job they have been doing in the matter of national defense. General Roberts and the staff have been very helpful in many ways.

[The prepared statement of General Roberts follows:]

PREPARED STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, AUS (RETIRED), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. Chairman and Members of the Committee. I am especially pleased to have the opportunity of appearing before your Committee to present the views of the Reserve Officers Association on the construction requirements of the Reserve Forces of the United States. World events continue to underline the importance of our Reserve Forces to our National Defense Posture.

No member of your Committee needs to be reminded of the ravages of our present rate of inflation and the need to reduce expenditures whenever possible. I am sure that you are fully aware that direct expenditures on Reserve Components are limited to about 5 percent of the Defense budget, yet the Services are relying to a very pronounced degree on those Components upon mobilization. For example, more than 50 percent of Army combat units and nearly half of the total Army available on "M" Day would come from Reserves. Comparable statistics for other Services are available. Given this indication of reliance on Reserves, it is natural to wonder why these Forces are to a certain extent still being given second class treatment when they are expected to deliver first class performance within days or weeks in a crisis.

I would now like to address some general construction requirements for each of our military services.

ARMY RESERVE

We are concerned that the $42.8 million requested in fiscal year 1983 for Army Reserve Military Construction does not realistically address the critical problem of replacing the 55 percent of the 1,075 Army Reserve Centers and 181 maintenance facilities. These facilities are owned or leased for the Army Reserve and are considered inadequate to meet training and storage needs, or are obsolete, deteriorated and inefficient to maintain.

The fiscal year 1983 budget funds 16 major projects in 15 States, including five new centers, four maintenance facilities, expansion and alteration of five existing centers, and improvement of two field training sites. However, we question the adequacy and level of resources that have been dedicated to reduce the construction backlog. In fiscal year 1982 this significant backlog was estimated at $848 million; the backlog estimate for fiscal year 1983 will be $938 million.

With validated requirements for construction amounting to $701 million, it would take some 25 years to just take care of current identified requirements. Despite the backlog and the recognized need to provide close-to-home training facilities which contribute to better recruiting, retention, unit cohesion, and lower travel expenditures, the major construction portion of the military construction appropriation is at its lowest level in these years. The amount requested for fiscal year 1983, $28.5 million, is significantly less than the military construction funds appropriated in either fiscal year 1982 ($54.9 million) or fiscal year 1981 ($38.7 million).

We urge the Congress to require the Secretary of the Army to submit a realistic, substantiated funding plan to estimate the Army Reserve construction backlog within a reasonable time frame.

NAVAL AND MARINE CORPS RESERVE

Mr. Chairman, as the Chief of Naval Reserve and the Deputy Chief of Staff for Marine Corps Reserve Affairs have testified this year, maximum use of existing facilities is being made; however, the physical plant is badly deteriorating. The Navy and Marine Corps Reserve Military Construction budget is chronically underfunded because such Reserve Construction is almost always found at the lowest priority level. The little program growth which has occurred over the years has been so miniscule that it hasn't even kept pace with the rate of inflation. Unless many of these Reserve facilities are replaced, renovated or upgraded, the adverse effect on personnel will increase and retention efforts will further deteriorate. Reserve planners state that a minimum of $60 to $70 million in Naval and Marine Corps Reserve Construction funding is urgently needed in the fiscal year 1984 budget submission which is currently in preparation. Experience indicates that they will be lucky if one-third that amount is finally requested. Meanwhile, the situation is growing progressively worse.

Currently, there are 237 Naval Surface Reserve sites throughout the country; 141 of them (59 percent) are adequate and 96 (41 percent) are substandard. The substandard facilities are generally the multiple Quonset and Butler huts with connecting frame headhouse typical of the mass construction undertaken for the Reserve program in the late 1940's. As the Butler and Quonset huts had an economic life of 20 to 25 years and with construction funds simply not available to replace them, those structures now have a high maintenance cost, degraded appearance and, mot critical of all, they are inefficient training sites.

There are six Naval Air Stations, two Naval Air Facilities and 15 other Naval and Marine Corps Air Reserve sites. Four of the six Naval Air Stations were designed and constructed during World War II and now show the impact of block obsolescence. This obsolescence is due to the use of design and material "for duration only" which does not permit flexibility to upgrade the facilities to adequately meet today's support and training equipment requirement. Today's aircraft are larger, heavier and more sophisticated. Therefore, the facilities constructed during WWII, if adaptable at all, are not adaptable to current requirements without excessive cost. Additionally, the seven Naval Air Reserve Units (NARU) are located on Active Regular Naval Air Stations and have generally been relegated to excess facilities with problems similar to the four WWII vintage Naval Air Reserve Stations.

Another area of vital concern is the seemingly ever present MCNR Construction backlog. As we noted in our fiscal year 1981 testimony before this Committee, the Senate Armed Services Committee in its Military Construction Authorization report for fiscal year 1979 directed the Defense Department to fund the Guard and Reserve Construction programs at levels that would reduce the construction backlog. We also noted that no such action had been forthcoming. The situation grows worse with each passing year. Not only are there no funds programmed to reduce the backlog, the backlog has grown from $251 million in fiscal year 1981 to $270 million in fiscal year 1982 and to $471 million this year. Mr. Chairman, after observing this situation for many years, it is obvious that firm Congressional action must be taken if this potentially disastrous problem is to be addressed.

Mr. Chairman, the fiscal year 1983 MCNR program is appended. ROA has reviewed and concurs with the projects contained in this program. However, there are many vital projects which are not addressed. Accordingly, I have also appended a priority listing of essential Construction projects which have not been included in the fiscal year 1983 budget request.

Mr. Chairman, it is quite obvious that it would be impossible to appropriate sufficient funds to correct all noted deficiencies. However, it is also obvious that the requested $25.2 million is patently insufficient, in fact it is even $1.2 million below the level requested last year. The fiscal year 1982 MCNR budget request for $26.4 million was increased to $36 million by the Congress. Congressional action over the past several years has prevented total disaster in this area. Again, Congressional action is required this year. Mr. Chairman, ROA urges approval of

$65 million for the fiscal year 1983 Navy and Marine Corps Reserve Construction Program in order to accomplish the projects submitted by the administration; to accomplish those top priority unbudgeted projects which we have submitted; and to accomplish a modicum of reduction of the Construction backlog.

State/Installation	Project	Estimated cost (millions)
FISCAL YEAR 1983 MCNR PROGRAM		
Florida: NMCRC, Orlando	Reserve training building addition	$1.65
Kentucky: NMCRC, Louisville	Combat vehicle maintenance shop	.3
Louisiana: NMCRC, New Orleans	do	.27
Pennsylvania: NAS, William Grove	Marine Corps storage	.75
South Carolina: NMCRC, Columbia	Combat vehicle maintanance shop	.3
Tennessee: NARU, Memphis	Jet engine test cell	3.1
Texas: NAS, Dallas	Aircraft maintenance hangar	3.9
	Water connection with city	.33
Washington: NARU, Whidbey	Aircraft maintenance hangar	10.3
Washington, D.C.: NAF, Washington	Upgrade avionics building	.5
Various locations	Energy conservation	.5
Subtotal		21.9
Various locations	Minor construction	.5
	Planning and design	2.8
Subtotal		3.3
Total		25.2
PRIORITY MCNR PROJECTS ABOVE FISCAL YEAR 1983 FUNDING LEVEL		
California:		
NMCRC,[1] Los Angeles	Rescen	$4.1
MCRC, Hayward	Rescen alteration	.3
Indiana: NMCRC, Fort Wayne	Rescen (lease/purchase/repair excess school building)	.83
Connecticut: NMCRC, Hartford	do	1.6
Missouri: NMCRC, Kansas City	Rescen rehab	1.6
Texas: NMCRC, San Antonio	Rescen	4.1
West Virginia: NMCRC,[2] Wheeling	do	3.4
Florida: NMCRC,[2] Miami	do	6.4
Massachusetts: NAS, Sowey	Runway repair	3.4
Subtotal		$25.73
Various locations	Minor construction	.75
	Planning and design	2.0
Subtotal		$2.75
Total		$28.48

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[1] NMCRC, Los Angeles, almost totally destroyed by fire in 1981. Funding urgently needed to restore "permanent" building to operational status.

[2] NMCRC, Wheeling and Miami, involve consolidation of separate Navy and Marine Corps facilities into a single facility. Current buildings obsolete, inadequate and, in the case of MCRC, located in an exceptionally high risk area.

AIR FORCE

The Air Force Reserve is well into a modernization program for its assigned aircraft. Five units are currently converting to new aircraft: one to A-10's, two to F-4's, and two to C-130's. Although maximum use will be made of existing facilities to support these newer aircraft, the requirement exists for new operations and maintenance structures. In addition to the new requirements, inadequate and deteriorated facilities must also be replaced.

In fiscal year 1983 the Air Force Reserve MCP totals are $35.6 million in appropriations and $29 million in authorization. Most of the authorization request is for projects in support of the aircraft modernization program. This is a trend that has been increasing since fiscal year 1980. The fiscal year 1983 request reflects the dollars necessary to meet the operational ready dates of the converting squadrons. Also included are funds to allow timely replacement of inadequate facilities.

With the exception of the five converting units all Air Force Reserve units are combat ready. Air Force Reserve crews are flying missions or standing alert on a daily basis as part of the total force. With your continued support in providing the necessary facilities, the Air Force Reserve will continue to maintain its superb state of readiness.

CONCLUSION

This concludes my remarks. Thank you for the opportunity to appear before this committee.

ADDENDUM

In the Air Force military construction request for Europe is an item of vital importance to the Air Reserve Forces. A majority of Air Force Reserve and Air National Guard aircraft, deployed to Europe in a contingency, would be stationed at Collocated Operating Bases (COBS). These are active allied nation air bases with the capacity to receive additional aircraft. However, most of these bases do not have the minimum essential facilities to store the necessary war reserve material for the additional U.S. Air Force aircraft.

To achieve minimum wartime capability, three types of facilities must be constructed; munitions igloos, protected fuel storage, and dispersed aircraft parking pads. The Air Force has requested $28.6 million in military construction funds for prefinancing the needed construction at a number of COBS in fiscal year 1983. NATO has approved $42.6 million for the COBS program between fiscal year 1978 and fiscal year 1982. It is estimated that for every dollar spent, the United States receives the use of $10 worth of allied facilities such as runways, barracks, control towers, etc., at the COBS.

ROA urges your support of this program upon which the survivability and war fighting capability of our active, Air Force Reserve, and Air National Guard units depends in the event of mobilization for a European conflict.

Senator THURMOND. Mr. McKinney, we will be glad to hear from you.

STATEMENT OF C. A. (MACK) McKINNEY, SERGEANT MAJOR, USMC (RETIRED), SENIOR VICE PRESIDENT FOR GOVERNMENT AFFAIRS, THE NONCOMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Sergeant McKINNEY. Thank you, Mr. Chairman.

I would like to request that my prepared statement be placed in the record, and I will make a few remarks.

Senator THURMOND. Without objection, your entire statement will be placed in the record.

Sergeant McKINNEY. Thank you, sir.

I would like also to echo General Greenlief's expression of appreciation to the chairman and to these subcommittees for the outstanding job that has been accomplished in behalf of the men and women of the armed services.

As the chairman is aware, the association is composed of 250,000 members, of which about 83 percent are on active duty with our Armed Forces. On our international board of directors we have the Command Sergeant Major, U.S. Army Europe; the Command Sergeant Major of U.S. Army DARCOM; the Navy's Fleet Master Chief, Atlantic Fleet; and the Chief Master Sergeant, Senior Enlisted Adviser, for USAF NORAD. In addition we have the five top enlisted chiefs of the Armed Forces as our senior advisers, so much of our prepared statement, Mr. Chairman, is based on their input.

NCOA is pleased to note that the Army, with 313 units and the Air Force, with 670 units, are looking favorably upon increasing the quality of life for our personnel overseas.

NCOA believes that Congress must give priority to our men and women serving in foreign nations. Our service members too often have been subject to indifference by the American public and pity from many citizens of our allied nations.

Most of all, it is vitally important that the United States make every attempt to keep its people together. Currently they are spread out in the civilian sector, losing their ties with the military, and as one of the top enlisted chiefs of Europe told this representative, "The lack of military housing really is a hindrance to our people." He went on to say that "military housing complexes give U.S. military personnel togetherness, and NCOA certainly subscribes to that principle."

I would like for a minute to touch basically on Europe in this particular issue. The base commanders over there need to make immediate responses to emergency mobilization. We have our people spread out through the civilian community. Now, if the emergency mobilization order should go out, we doubt whether there would be a quick response to that mobilization order.

If the young man is out there in the civilian sector, say, some 2 or 3 miles away from the installation, he may think a lot more about his family and what would happen to them rather than getting there to that installation as quickly as possible. If the families are located centrally, near or on the military installation, the noncombatants could assist if any evacuation procedures are necessary and would assure that the young service member responds immediately to any emergency mobilization.

It is important to the installation or unit commander to have his people at hand in the event of need. For this reason, NCOA opposes somewhat the provision which requires the service Secretary to consult the Secretary of HUD before constructing military family housing. We believe that family housing for the military should be in or near that installation.

Mr. Chairman, today's economy has exploded the cost of housing construction to where the average price of a one-family unit now exceeds $80,000.

The fiscal year 1983 military construction authorization bill seeks to build in the United States some 2,098 units for the armed services at a proposed cost of $107.9 million. This averages out to a per unit price of $51,400. Presumably, we believe that perhaps the authorization and appropriation bills for fiscal year 1983 will include some manufactured housing.

At today's inflated prices and because of the urgent need for military family quarters, NCOA recommends that manufactured housing be considered for most or all of the proposed units. This not only saves money but also could very well provide some extra money for additional units, if necessary.

Last but not least, we would like to call the chairman's attention to a situation that is currently existing at McClellan Air Force Base in California.

The mobile home park that was established for the military personnel is slated for future closing because of a land swap between the base and Sacramento County. Military personnel with their mobile homes find it extremely difficult to sell or relocate because of an acute shortage of available and suitable mobile home spaces in that locale. Many of them will be forced to sell at a loss.

In relation to this, NCOA recommends that you consider authorizing funds under the Homeowners Assistance Fund for individuals forced to dispose of their homes or mobile homes under like circumstances.

Mr. Chairman, I know that we have prepared and submitted to you an extensive statement. I touched very quickly on the highlights. Hopefully, the subcommittee will consider our full statement. Thank you, sir.

Senator THURMOND. Your entire statement will be placed in the record.

[The prepared statement of Sergeant Major McKinney follows:]

PREPARED STATEMENT OF C. A. (MACK) MCKINNEY, SERGEANT MAJOR USMC (RETIRED), SENIOR VICE PRESIDENT FOR GOVERNMENT AFFAIRS

Mr. Chairman, I am C. A. "Mack" McKinney, Sr. Vice President, Government Affairs, for the Non Commissioned Officers Association of the USA (NCOA), and a retired Sergeant Major in the United States Marine Corps.

My Association represents 250,000 noncommissioned and petty officers of the U.S. Armed Forces. Eighty-three percent are on active duty with the Army, Navy, Marine Corps, Air Force and Coast Guard, with the remainder either retired, in the Reserve or National Guard, or in a veteran status. With the make-up of membership as it is, the NCOA, without a doubt, is the largest professional enlisted military association chartered in the United States.

The Association also has more than 200 chapters located worldwide—in Europe, Africa, Asia, Hawaii, Alaska, Panama, aboard ships at sea and in the United States. Its goals are twofold: first, to seek an adequate defense for the Nation; and second, to provide for the well-being of the men and women who serve and have served honorably in the Armed Forces of the United States.

On behalf of the Association's directors, officers and membership, I extend appreciation for the opportunity to appear today relative to the fiscal year 1983 military construction budget. I also render the subcommittee a salute for a job well done on last year's request. Your concern for and interest in the well-being of the members of the military services are highly commendable. Thank you so much for your efforts to improve the quality of life for the men and women who serve the Nation's military around the world.

Following last year's congressional actions to alleviate the problems of pay comparability and compression that "dogged" the military's capability to recruit and retain qualified personnel, NCOA representatives met with the five top enlisted chiefs of the military services. To a man they agreed that next to poor pay and allowances the major complaint of soldiers, sailors, marines, airmen and coast guardsmen was inadequate and appalling family housing, quarters and work areas.

EUROPE

The subcommittee members probably are familiar with the testimony of General Frederick Kroesen, Commander in Chief, U.S. Army, Europe (USAEUR) and the series of articles written by Mr. Henry Eason, Washington correspondent for the Atlanta Constitution. Their comments have been echoed by Command Sergeant Major Walter Kreuger, Command Sergeant Major, U.S. Army, Europe, a member of the Association's Board of Directors, and Fleet Master Chief Ronald Roberts of Naval Forces, Europe. I must admit that their description was a bit more colorful than those of CSM Kreuger's commander or Mr. Eason. Nevertheless, living and working with enlisted personel of USAEUR and our Navy in Europe brings them much closer to the problem.

CSM Kreuger boasted of his soldiers. He said they were good troopers, ready to take on anything that may be thrown at them in spite of the odds. However, they did not believe U.S. officials were totally sympathetic to their plight. They are ready, willing and able to withstand the hardships of combat—if and when it comes—but they believe they and their families should not have to suffer the indignities of living and working in a substandard environment. At one time

American military personnel volunteered for assignments in Europe. Today, as in the past few years, many are leaving the military services because they are ordered to that area.

What is so alarming is that the majority are qualified and skilled noncommissioned and petty officers. With the current acute shortage of NCOs in the military services, the United States can ill afford to lose more by not taking action now to alleviate the situation.

Of what good are all the sophisticated weapons we have in the fiscal year 1983 budget if this country does not have the qualified, skilled and knowledgeable NCOs and Petty Officers to man those weapons? Return to the draft? No, because it will not produce the quality NCOs the military services now have and will need for the next 10 years. Only NCOs can train their replacements. If more of the former leave the armed forces there'll be very few of them remaining to train those replacements.

KOREA

The more said about Korea the more Congress may become concerned with the inexcusable conditions our military personnel must endure overseas. Whether Germany or Korea is the worst is a determining factor. Congress must do something about unacceptable housing and quarters for armed forces personnel manning the Nation's ramparts in foreign lands.

In Korea, many troops along the DMZ live in Quonset huts erected nearly 30 years ago. If anyone is familiar with these units they know they're not built for any permanency. As reported by one Senate committee staffer; it's brutal the way these soldiers have to live.

Surprisingly, the morale of U.S. military personnel is high in Korea. However, this is attributable to the short tours of duty that military personnel must endure in that country. If the time frame is extended, which it should be to give the Army's new unit cohesiveness program a chance to survive, better living conditions must be provided.

NCOA is certain that our military people can endure hardships, but not over an extended period.

DEFENSE GOALS

The Reagan Administration also has committed itself to raising the quality-of-life for the men and women who serve in the Nation's armed forces. Defense Secretary Caspar Weinberger said it best in his announcement of the proposed fiscal year 1983 Department of Defense budget: "No military force, no matter how technologically advanced its equipment, will be more effective than its people. . . . (The budget) provides service members a decent quality-of-life through improved maintenance of work areas and facilities, and construction improvements to living facilities. These are essential investments in readiness and the maintenance of the high-quality force we must have."

NCOA is here today to lend its total support to that commitment. The Association's membership is composed of those service members who have lived and worked and are now living in housing and quarters and working in facilities and areas that would be condemned if they were civilian occupied. Many, at best, are described as "deplorable." Yet, we expect the utmost of these dedicated men and women and, eventually, try to encourage them to remain in the armed forces.

HOUSING

During this period of inflation and recession—and there appears to be no end in sight—our service members are transferred to many areas where the cost-of-living is so exorbitant that they cannot afford to live off-base. There are tens-of-thousands of them stationed in California and Washington, D.C., where home purchases or rents are draining their budgets beyond reason. The average cost of a house in California is over $100,000 and rents in the Washington, D.C., area are totally out of sight for the young service member earning less than $16,000 annually. For example, a recent check with a few rentals of low-income apartments in the Arlington, Virginia, area indicate one bedroom apartments (one, a walk-up) are going at $345 to $400 monthly—some without air conditioning.

Washington, D.C., is probably one of the worst areas in the Nation for enlisted personnel. In addition to its high costs, it provides military housing for less than 15 percent of the number of enlisted service members stationed in the metropolitan area.

Overall, Defense has more than 400.00 quarters available worldwide for assignment to military families. With a military population in excess of 2 million members, of which more than 55 percent have dependent families, the number of quarters available is about only 30 percent of the requirement. The remainder must purchase or rent housing in nearby civilian communities.

EMERGENCY MOBILIZATION

Variable Housing Allowance (VHA) has been a god-send for most, but it isn't the real answer to the problem of keeping the military community together. Defense has provided regulations concerning housing assignments but, except for certain key officers and noncommissioned officers, there is no criteria for maintaining a full company or battalion of personnel on-base in the event of an emergency. In too many cases, as in all services, the installation commander is not able to get his or her troops together as quickly as possible.

We might well-imagine the difficulty that would be encountered in the event of an emergency mobilization in Washington, D.C., San Diego, California, or any large city where there is a concentration of military personnel. If a catastrophe occurred, and even if the commander was able to contact his or her people, how would they manage to get to their base through the resulting traffic jams? It is bad enough trying to get to work within a reasonable time during peak traffic hours in metropolitan Washington, D.C.

MANUFACTURED HOUSING

Of course, the housing situation is not confined to married personnel stationed in the United States. The problem extends to bachelor personnel and to families assigned overseas. There are not enough quarters to accommodate everyone or there are those that are being utilized by military personnel that are termed "inadequate" or so outdated they should have been demolished many years ago.

NCOA understands the many problems that contribute to the situation. There is always a shortage of funds. As such, the military must do its best to place its priorities in the areas it believes to be in its best interests. There also is a need to keep the housing industry going so that military construction funds may contribute to the economy.

The question then is one of need. What is the most important, the Nation's defense posture or the economy? NCOA believes that the defense posture should take priority and recommends that more family housing funds be authorized and appropriated for manufactured housing.

As of last year, "stick" housing costs the federal government an average in excess of $80.000 per unit. The same amount of money may very well purchase two (2) or, perhaps three (3) units of manufactured housing. The latter can be finished in one-third of the time and at a fraction of the cost of a conventional unit. Additionally, it can be dismantled, transported and reassembled at another location.

Last year NCOA, for the first time, appeared before the House Appropriations Subcommittee on Military Construction urging the expanded use of manufactured housing. Subsequently, Congress approved 200 units for the Army's Fort Irwin in California. NCOA believes the move to be a wise one and commends this Congress for realizing the advantages of economics and those to military personnel in choosing this type of housing to accommodate the military's housing shortage.

MOBILE HOME OWNERS

The lack of sufficient family quarters also produces other problems which are of concern to NCOA. Most involve enlisted personnel of the armed forces.

For example, in North Highlands, Calif., the McClellan AFB Mobile Home Park was slated for a future closing because of a land swap between the base and Sacramento County. Military personnel with their own mobile homes found it extremely difficult to sell or relocate because of an acute shortage of available and suitable mobile home spaces in that locale. Many of them were forced to sell at a loss.

NCOA was advised earlier that the swap would be called off, but later learned that it is back on and currently under threat of closure. A number of military families will suffer as a result.

In relation to this, NCOA recommends to the subcommittee that it consider authorizing funds under the Homeowners Assistance Fund for individuals forced to dispose of their homes or mobile homes under like circumstances. Surely they suffer as much as the individuals forced to do likewise under base closures or reductions in operations.

CENTRAL ASSIGNMENTS TO QUARTERS

Another area of concern is a new policy slowly weaving its way into the military services. It is a move to centralize the assignment to and control of barracks and bachelor enlisted quarters (BEQ). This may be a cost savings to the armed forces, but it certainly is not an effective way to maintain control and discipline at the company-unit level.

In a conversation with one of the top enlisted chiefs of an armed service, he was disturbed that the new policy might have serious ramifications on training and morale. It seems a bachelor service member reporting to a base will have to go to a central quarters assignment office where he or she may be given quarters without consideration of unit or rank integrity.

Implementation of the policy may be in order for some of the services but not for all. NCOA urges the Chairman to look into the program to determine its scope. In any case, such a policy should be used only at the discretion of the individual Service Chief, not the Department of Defense.

WRONG PRIORITY

Last year Congress gave priority to authorizing family housing construction for junior enlisted personnel. NCOA cannot give credence to the fact that the military services should provide for them at the expense of senior enlisted personnel. The United States can always replace junior enlisted personnel by initiating a draft but, as the Association remarked earlier, you cannot draft NCOs and Petty Officers.

You can't get ships to sea without Petty Officers. You can't get planes ready to fly without NCOs and Petty Officers. You can't fight a war on land, sea or air without them. Admiral Thomas Hayward, Chief of Naval Operations, said this publicly as did General Edward Meyer, Army Chief of Staff. Admiral Hayward couldn't move his ships and General Meyer had a "hollow" Army because there weren't enough Petty Officers and NCOs to get the job done.

So why do we give priority to junior enlisted personnel and believe the NCOs and Petty Officers are going to stay in the service under these circumstances? We have seen already a demise in prestige for our NCOs and Petty Officers. They are forced to live and socialize with the very people they must train and discipline.

We've taken away their separate quarters, their separate clubs and their ability to enforce discipline and expect them to remain in the service of our Nation. It's time we returned to the basics of military service. There must be a class-system in the military if it is expected to succeed. The past mistakes of Vietnam and other incidents involving the armed forces should be a well-learned lesson. Regrettably they are not.

NCOA urge the Subcommittee to consider which is the most cost-effective; giving preferential treatment to junior enlisted personnel over their seniors and continue losing more and more NCOs and Petty Officers or allowing the Nation's defense posture to be a success or failure on the remote chance that junior enlisted personnel might do the job.

NCOA also asks the Subcommittee to consider what type of a NCO or Petty Officer will the Nation produce if it doesn't give its junior enlisted personnel something other than cash as an inspiration for promotion. Good NCOs and Petty Officers are made by having worked and lived as their subordinates should be doing now.

S. 1990

In February the NCOA addressed a letter to the Chairman relative to S. 1990, a bill to revise and codify the permanent provisions of law relating to military construction and military family housing.

The Association recommended that section 2827(b) of the bill be amended to include not only the commanding officer of any military installation but the senior enlisted member of that installation for an increase by 10 percent the applicable maximum net floor area of his/her housing unit. NCOA believes the adoption of such an amendment will offer congressional recognition of the major role the senior enlisted members play in the defense of the Nation.

Since then, NCOA representatives have met with the Navy's Master Chief Petty Officer and Fleet Master Chiefs. They and the Force Master Chiefs firmly support this amendment and, further, recommend the following policies be adopted in the assignment of family housing to NCOs and Petty Officers. NCOA endorses the proposals and recommends them to the Subcommittee for consideration:

(1) Assign senior enlisted personnel (pay grades E–7 and above) to housing based on paygrade and family size and composition instead of family size and composition only. Senior enlisted personnel who have served for years have accumulated considerable household goods. Many no longer qualify for adequate housing because the size of their families has decreased. They must place many of their possessions in storage often times at their own expense. Sometimes they have college-age dependent sons and daughters who come to spend holidays and the summer at home. There is no place for them.

(2) Authorize all senior enlisted personnel who hold command positions at the division or higher levels to have priority on the waiting list for quarters or housing. This is in recognition of their special position of leadership in the enlisted ranks.

(3) Do not charge more than 75 percent of Basic Allowance for Quarters (BAQ) for assignments to inadequate housing. It is not fair to charge more for this type housing because of the high cost of maintenance. Inadequate is inadequate no matter how much maintenance must be done. (Section 2831. (a).2.)

(4) Personnel should not have to vacate housing at one base when being reassigned to another installation in the same interregional area unless there is a vacancy at the new installation and the move is provided free-of-charge to the servicemember. Further a dislocation allowance should be provided to cover incidentals involved in the move.

(5) Provide better security in housing areas particularly those off the installation or in remote areas. Civilian security currently is not providing adequate controls. There is an absence of highly visible and frequent patrolling.

(6) Do not assign senior enlisted personnel in the same housing with junior enlisted personnel. Familiarity breeds contempt.

(7) More and more military personnel who prefer mobile homes are opting for the longer or double-wide units. Currently mobile home parks controlled by military or government housing offices have upgraded their facilities to accommodate the larger homes. All mobile home parks, where possible, should be redesigned for these units.

(8) Authorize military installation commanders having vacancies in family housing to provide such housing to families of military members assigned to unaccompanied tours overseas on request of the sponsor.

Only item 3 and the original recommendation contained in the Association's February letter require amendmenets to S. 1990, unless the subcommitte considers items 1, 2, and 4 through 8 should be incorporated in the bill. If not, the Association urges the subcommittee to include such provisions in the fiscal year 1983 Authorization Bill.

Senator THURMOND. I want to say that only a few years ago the Noncommissioned Officers Association was organized and they have certainly made great progress. I believe you now have 250,000 members and you have over 200 chapters, located in Europe, Africa, Asia, Hawaii, Alaska, Panama, on ships at sea and in the United States.

I think the service you have rendered to members speaks well of their satisfaction with this organization. I just wanted to congratulate you for the service you have rendered your country in national defense matters.

Sergeant Major MCKINNEY. Thank you, Mr. Chairman. A lot of it is attributed to you, if I may say so.

Senator THURMOND. Thank you. Senator Baucus has arrived. He is an able spokesman for the State of Montana where my wife's people came from.

STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM THE STATE OF MONTANA

Senator BAUCUS. Mr. Chairman, thank you very much. I have a formal statement I would ask be included in the record.

Senator THURMOND. Without objection, your statement will be included in the record.

Senator BAUCUS. I am here, Mr. Chairman, on behalf of the enlisted Air Force personnel at Malmstrom Air Force Base. As you may know, Malmstrom is one of our strategic Minuteman missile sites and has been part of SAC. These men, enlisted personnel, spend several days in seclusion in Minuteman silos out in the hinterland in part of Montana.

These personnel, however, when they are off duty, after having spent 3 or 4 days out there alone, come back and live in very antiquated dormitory facilities at Malmstrom Air Force Base. There are 450 personnel that live in these quarters. They were built in the 1950's. They have not been upgraded at all since then. The personnel there share common facilities. There are communal latrines, communal showers. There is virtually no privacy whatsoever.

The morale is low basically because of the deterioration of these dormitory facilities and virtually no privacy at all for the personnel. The latrines are stopping up. Hard scale is developing in sewage treatment facilities. In their locker room, the lockers rattle around, whenever anybody speaks the noise can be heard throughout the dormitory; it has caused quite a problem from the standpoint of morale at Malmstrom.

We are requesting $5.6 million in the military construction budget to upgrade these facilities. I might say, Mr. Chairman, this same amount is already in SAC's budget for 1984. I appear today on behalf of those personnel, and am speaking also along with other members of the Montana delegation, asking that that $5.6 million be moved up to fiscal 1983 instead of fiscal 1984.

I do so for two reasons. The basic reason is that the condition of the dormitories is so shabby; they are archaic, ancient. This is really no place to put our servicemen. The sooner we begin to upgrade the facilities the better.

As I said, the same amount is already in SAC's budget for fiscal 1984.

The second reason is because it is apparent that SAC has more plans for Malmstrom Air Force Base. It will probably be the location for a strategic training center. The sooner we can begin to upgrade facilities and coordinate the upgrading of the dormitories with additional personnel associated with the strategic training center at Malmstrom Base, the better off we will be in developing both of those projects, together.

In conclusion, I have some photos here that I would like to leave for the committees' attention, so that you, Mr. Chairman, and other members of the committees can have a better visual idea of what the problems are.

I will tell you, this is not any gold-plated project whatsoever. We are just trying to provide decent facilities for our enlisted men who are out manning these silos, protecting our country.

[The prepared statement of Senator Baucus follows:]

PREPARED STATEMENT OF MAX BAUCUS, A U.S. SENATOR FROM THE STATE OF MONTANA

Mr. Chairman, thank you for allowing me the opportunity to testify before this Committee today.

I am here today to testify on behalf of Malmstrom Air Force Base, in Great Falls, Montana.

SUMMARY

Malmstrom Air Force Base has requested military construction program funds to upgrade three 1954 vintage enlisted personnel dormitories, Buildings 740, 742, and 764. This project did not have sufficient priority of be included in the HQ USAF Fiscal Year 1983 Military Construction Program request. Mr. Chairman, I am here today to urge that this Committee upgrade the priority status of this project, and include Malmstrom program funds to upgrade these three dormitories in the fiscal year 1983 Military Construction Budget.

DISCUSSION

Enlisted personnel dormitories, Buildings 740, 742, and 764, are three story concrete and concrete masonry unit structures. Each dormitory has 72 sleeping rooms occupied by two individuals (76 square feet per occupant) with a sink and mirror, two communal latrines, a lounge or dayroom on each floor and a laundry room on the first floor. The current room floor plan is shown in Figure 1.

The requested project will include the following major items of work:

1. Semi-private bathroom between adjoining sleeping rooms.
2. Installation of exterior room entrances and balconies.
3. Incorporation of energy conservation measures.
4. Upgrade of the electrical, lighting, and fire protection systems.
5. Complete interior renovation.

The proposed room floor plans are shown in Figures 2 and 3.

The plumbing fixtures and associated distribution system have been in continuous service since 1954 with no major replacements or upgrading. Due to accumulations of hard scale within the sewer lines, the latrine fixtures drain very slowly; and over flowing fixtures are a constant maintenance problem.

The communal latrines and shower rooms afford the dormitory occupants very little privacy and convenience. The lack of privacy is the most prevalent recurring complaint received from the dormitory occupants.

The installation of exterior room entrances and associated balconies will eliminate the long narrow, noisy corridors, and will provide 93 square feet per occupant without major structural wall relocations. Retention of the interior corridor and the installation of semi-private bathrooms would reduce the sleeping room area to 81 square feet per occupant. The Air Force minimum standard is 90 square feet per occupant. The standard for prison design is 80 square feet per occupant.

These dormitories were constructed before energy conservation became a concern. The windows are single pane glass in a metal frame. The opening panel has no weather stripping. The window accounts for 52 percent of the exterior wall in each sleeping room. The proposed project will reduce the window area by approximately 60 percent and provide a double insulated energy efficient window assembly.

The existing hot water heating system has no provisions for individual sleeping room controls. As such, when the room is too warm the windows are opened to cool the room down. It is common to see most of the windows open on the sunny south side when the outside temperature is near zero. These energy conservation measures are estimated to decrease energy consumption by approximately 40 percent.

The electrical distribution and lighting systems are 1950 vintage, grossly inadequate, and do not have grounded outlets. The latrines and sink areas do not have a ground fault indicator system as required by the National Electric Code.

The only fire protection system in these dormitories are battery operated smoke detectors in each sleeping room and manual pull stations with local alarm. These pull stations are not connected to the Base Fire Station Alarm Center. The National Fire Protection Association Codes require permanently installed smoke/heat detectors and automatic reporting of any fire alarm.

The sleeping rooms are not carpeted. The noise transmission through the concrete masonry unit walls is very high.

An airman first class forfeits his quarters allowance of $141.30 per month to share a 192 square feet room with another airman. He is not afforded a choice of roommates and must take whoever happens along.

IMPACT

If this project is not accomplished, the 341st Strategic Missile Wing will be required to continue utilization of run down, shabby, uncomfortable, energy inefficient enlisted personnel dormitories. These deteriorated facilities result in poor morale among the assigned personnel and will have a very negative impact on first term airmen retention.

CONCLUSION

In closing, I would like to state that this is not an instance of gold plating, but rather a straightforward and urgent request for decent living accommodations for young men who work under adverse conditions. Further, if Malmstrom AFB is selected as a training center for B–52's—as it is a candidate for—the current poor living conditions will only be deterimental to the morale of the servicemen stationed there.

To provide this Committee with a greater understanding of the facilities I am discussing, I have submitted for Committee consideration a series of pictorial exhibits. A close examination of these pictures should bring to bear the need to elevate the priority status of this project, and make a clear case for including this program in the fiscal year 1983 Military Construction Budget.

Thank you, Mr. Chairman.

Senator **Thurmond**. Thank you very much, Senator.

We have a tight budget situation in defense this year. Senator Tower has asked that military construction be held down as much as possible. We will do the best we can.

We are glad to have you with us and you speak well for your State.

Senator **Baucus**. I appreciate that, Mr. Chairman. This $5.6 million, which is not going to break the U.S. budget, has, as I said, very, very strong proportionate returns. Great Falls, the site of Malmstrom Air Force Base, is very enthusiastic about the base. This is a small amount in comparison with other military construction programs.

Senator **Thurmond**. I have been there. It is a beautiful State.

Senator **Baucus**. The more we can help build these facilities, the more we help personnel in the community.

Senator **Thurmond**. Thank you.

I note that Senator Pressler has come in. Senator Abdnor was here and spoke on behalf of some of the projects in your State.

STATEMENT OF HON. LARRY PRESSLER, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator **Pressler**. Mr. Chairman, I join with my colleague Senator Abdnor, in making certain requests and calling certain problems to your attention. I thank you very much for your consideration of the Ellsworth Air Force Base construction needs. It is a major base in South Dakota and a major installation in our worldwide strategic defense system.

Mr. Chairman, in deference to the tremendous workload of your Subcommittee on Military Construction, I will keep my remarks very brief this morning, and I am going to summarize.

The reason I am appearing is to support authorization of funding for the construction of dormitories for airmen at Ellsworth Air Force

Base in South Dakota. It is my understanding that the Air Force realizes the need for this additional housing.

I will add that there is not only a need but also a critical need for these dormitories.

Having served in the U.S. Army, with service in Vietnam during the conflict over there, I know from personal experience how important adequate quarters are in maintaining the morale of our men and women in uniform.

Perhaps just as important is the key role which military living quarters can play in our efforts to retain qualified enlisted personnel in the armed services. To get young people to make a career commitment to military service in this day and age requires assuring them decent housing.

I have supported the major military pay increases of the past 2 years, and more is needed in that department, but pay alone is not enough. Better housing is definitely needed, particularly in a colder State like South Dakota where military personnel and civilians alike spend more time indoors during the winter months.

This brings me to the incredibly sad shape of current single enlisted personnel housing at Ellsworth Air Force Base. I have visited Ellsworth several times over the past few years and each time I have tried to sit down with airmen to discuss their points of view. I have inspected the facilities in which they must work and live, and I think we are shortchanging these front-line defenders of our Nation by not providing them with adequate housing. Nobody is asking that their quarters be plush accommodations.

The buildings currently in use might best be described as "shacks," which for the most part have been considered temporary structures since they were first built in the 1950's.

My distinguished friend and colleague from South Dakota, Senator Abdnor, and I will continue to work together with our colleagues here in the Senate and in the House to remind others of the key role which Ellsworth plays in the Strategic Air Command and in national defense.

Our appearance here today is meant to underscore our strong commitment to attacking the decrepit conditions of single enlisted personnel housing at this important base. We want to be sure that the men and women who will be responsible for manning and maintaining the cruise missiles, the bombers, and the intercontinental ballistic missiles at Ellsworth have sufficiently sound living and working environments so that they will always possess high morale and will want to stay in the Air Force in service to the Nation.

It is my understanding that authorization and appropriation for the construction of two 250-person dormitories at this time would permit awarding contracts for the dormitories later this year. With minimal adaptation, the plans used for such dormitories at other bases could be used at Ellsworth.

The two buildings could be simple, basic structures and still be an enormous improvement over the several old wooden shacks now being used by the airmen. The cement-block replacement structures exceed the 35-percent design level at this time and should be readily available for design completion in a short time following funding authorization.

Mr. Chairman, in conclusion, you have already seen the Ellsworth photographs—and I shall not resubmit them—documenting the poor condition of present housing in Ellsworth. I also have a set of these photos. I believe they will give a clear picture of the problem that Senator Abdnor and I have seen. It is not a pretty sight to see.

I hope that the members of the committees will agree that prompt action is needed.

Many things are needed to improve our defense readiness and our overall defense preparedness. I happen to believe that among the most important actions we can take in a year when budgetary conservatism is paramount and construction costs are relatively lower than they are apt to be for some time is to fund essential personnel-related military construction projects such as the two new dormitories at Ellsworth.

Mr. Chairman, I thank you for your consideration in allowing me to testify here today and urge you to make a favorable judgment on this request during committee markup next month.

May I add on another note, that it would be good if the Davis-Bacon provisions could be repealed, because we could do this Ellsworth construction and other military construction a lot more cheaply and a lot better.

Mr. Chairman, thank you for listening to me this morning. Thank you for your great courtesy to our State.

Senator THURMOND. Senator, we are very pleased to have you here to make such an eloquent statement on behalf of projects in your State.

I would like to repeat that the Air Force has a backlog of construction of about $20 million. We will certainly do the best we can.

Senator PRESSLER. Thank you very much

Senator THURMOND. I notice that Senator Melcher has come in. Senator Baucus has just spoke in behalf of the projects in Montana.

Senator Melcher, if you wish, you may put your entire statement in the record and highlight it.

STATEMENT OF HON. JOHN MELCHER, A U.S. SENATOR FROM THE STATE OF MONTANA

Senator MELCHER. I will certainly do that, Mr. Chairman. Thank you very much.

I want to take note of the fact that in the military construction bill that you have introduced this year there is a $50 million figure for a central coal-fired heating plant at Malmstrom. I have testified on its need both of the last 2 years. I am pleased to see it in the bill. I hope it stays in there. It is very much needed.

Brig. Gen. Clifton P. White stated this project was the Air Force's "No. 1 priority project in the coal conversion program." The normal life service of a natural-gas-fired boiler is 25 years. The boilers at Malmstrom are older than that.

The estimated cost to accomplish the minimum needed work for that plant is over $13 million and it will still be an old plant.

The proposed heating plant will take approximately 28,000 LF of natural gas. Most of these natural-gas service lines are coated steel pipe and have been in service since 1951. That is 31 years now and they are in need of constant maintenance and would have to be replaced in any event within the next couple of years.

The cost was over $4.5 million to operate and maintain the current heating system in fiscal year 1981. It looks like it is going to cost more this current fiscal year. In contrast to this, it will cost $1.6 million a year to operate one new central coal-fired plant. That is an annual savings of $2.9 million.

I want to talk a bit about the dormitories at Malmstrom, which were constructed in 1954. They are almost 30 years old. I went into several of those dormitories some weeks ago, to view first-hand what the living conditions are for the airmen there. They are not good.

The only fire protection systems in the dormitories are battery-operated smoke detectors in each sleeping room and manual pull states with local alarm. These pull states are not even connected with the base fire alarm center.

If we continue to postpone the upgrading of these buildings until the fiscal year 1984 military construction program it is simply not in the best interest of Malmstrom, the personnel who live there or our national defense.

I found that there are 192 square feet per room for two airmen. That gives each airman about 96 square feet. It is not very attractive living quarters. The charge, of course, per airman is $141.30 per month, which is outrageous. We have youngsters going to college over in Bemidji. We have always marveled at the type of rooms or apartments they have found to live in, but I have to say that they have done much better than what we provide for these airmen who we expect to have a high morale and always be on the alert and ready to serve our national defense purposes.

These are outrageous quarters, yet the airmen have no choice; they are told they have to live there because there has to be 95 percent occupancy of those dormitories. They can live anywhere off base cheaper, have three or four times as much square footage living area for the same number of dollars and be comfortable.

They are uncomfortable where they are. It is not possible to be comfortable in 95.5 square feet of floor space.

I strongly urge that Malmstrom be included as part of the renovation of personnel dormitory space because morale is important, to be fair to our airmen is absolutely important, and national defense has become a high priority in Congress and in the country.

I think this is one item that should not be overlooked, Mr. Chairman.

[The prepared statement of Senator Melcher follows:]

PREPARED STATEMENT OF JOHN MELCHER, A U.S. SENATOR FROM THE STATE OF MONTANA

Thank you, Mr. Chairman. I am here today to urge fiscal year 1983 funding for two important projects for Malmstrom Air Force Base which is located just outside Great Falls, Montana.

These two projects are the construction of a new central coal-fired heating plant and the renovation of three enlisted personnel dormitories.

The first of these two projects, the construction of a new $50 million central coal-fired heating plant, is no stranger to this committee. I have testified on its need both of the last two years.

I have pointed out before that in tesimony before a joint Senate Appropriations and Armed Services Committee hearing in 1980, Brigadier General Clifton D. Wright stated that this project was the Air Force's "number one priority project in the coal conversion program."

In spite of the accepted need for speedy action on the construction of this facility, it was not included in either the 1981 or 1982 funding bills. The project has, however, been included in the 1983 military construction authorization bill, and I strongly urge that it be funded in this appropriation.

Let me briefly remind the committee of the reasons for prompt funding. The proposed heating plant will replace 69 existing natural gas-fired heating plants at Malmstrom. These heating plants serve 87 base buildings, and supply approximately 66 percent of the total base heat load, 41 of these heating plants are over 25 years old and in need of major rehabilitation or replacement. The normal service life of a natural gas-fired boiler is 25 years. The estimated cost to accomplish the minimum needed work, just keeping the existing heating plants operating, is over $13 million.

The proposed heating plant will also take approximately 28,000 low frequency of natural gas distribution mains and lateral service lines out of service. Most of these natural gas service lines are coated steel pipe and have been in service since 1951. They are in need of constant maintenance and would completely need to be replaced within the next couple years.

The expense of operating the system should also be considered. In fiscal year 1981, it cost over $4.5 million to operate and maintain the current heating system. By contrast, it would cost $1.5 million to operate one new central coal-fired plant for a year, and annual savings of at least $2.9 million. That savings, matched to steadily rising prices for natural gas and considering the increased maintenance costs and time required for the current system, make this a good buy for the government.

I hope this committee insures that funding is made available this year to begin work on this project.

Mr. Chairman, the second project I wish to urge that this committee give serious consideration to is the badly needed renovation of three enlisted personnel dormitories at Malmstrom at a cost of $5.6 million. These projects are currently in the fiscal year 1984 program, but I have seen the domitories in question and I agree with those at Malmstrom who feel the renovation is needed right now.

These dormitories were constructed in 1954, which makes them almost thirty years old. The plumbing fixtures and associated distribution system have been in continuous use since the buildings were constructed, with no major replacements or upgrading. Communal latrines and shower rooms afford no privacy to the personnel living in the dormitories.

The dormitories were constructed before energy conservation became a concern, and the current single pane windows result in very poor economy when it comes to energy costs.

The electrical distribution and lighting systems are also 1950 vintage, grossly inadequate, and do not have grounded outlets.

The only fire protection system in these dormitories are battery-operated smoke detectors in each sleeping room and manual pull states with local alarm. These pull states are not even connected to the base fire station alarm center.

In short, these dormitories are run down, shabby, energy inefficient and unsafe. Postponing the upgrading of these buildings until the fiscal year 1984 military construction program is not in the best interest of Malmstrom Air Base, our enlisted personnel, or our national defense.

The proposed project is an economical and prudent plan for correcting the deficiencies in these dormitories and providing decent living quarters for our enlisted personnel. We are not looking for gold plating on this project, but decent living accommodations for our young men who work very hard under adverse conditions in the service of their country.

I have personally walked through these dormitories. They cannot but result in poor morale among the personnel assigned and will have a very negative impact on the retention of first term airmen who have to reside in them.

It should be remembered that an airman first class forfeits his quarters allowance of $141.30 per month to share a 192 square foot room with another airman.

In this time of great concern for the military readiness and morale of our Armed Forces, we shouldn't forget that often the smaller things like providing recent living quarters for our enlisted personnel can play as big a factor, through increased morale and the ability to retain experienced personnel, in our overall military readiness and capability as more glamorous weapons programs. It is in this sense that I hope this committee will give serious consideration to including this project in the fiscal year 1983 military construction program.

Thank you.

Senator **Thurmond**. Thank you very much, Senator Melcher. We are glad to have you with us.

I want to commend you for your impressive statement.

Senator **Melcher**. I thank you very much, Mr. Chairman.

Senator **Thurmond**. We cannot do everything we would like to, but we will do all we can.

Senator **Melcher**. Thank you very much.

Senator **Thurmond**. We are going to move on to the Association of General Contractors.

Mr. Warren.

STATEMENT OF FRANK WARREN, JR., ON BEHALF OF THE INTERNATIONAL CONSTRUCTION COMMITTEE, ASSOCIATED GENERAL CONTRACTORS OF AMERICA, AGC, ACCOMPANIED BY JIM THOMPSON, DIRECTOR, INTERNATIONAL CONSTRUCTION DIVISION, AGC

Mr. **Warren**. Yes, sir. My name is Frank Warren. I was president of Raymond International Builders, Inc., of Houston, Tex. With me is Mr. Jim Thompson, who is director of the Association of General Contractors' International Construction Division.

Senator **Thurmond**. We are glad to have you with us.

Mr. **Warren**. Raymond Builders provides engineering and construction services and manufactured construction components to industries and governments around the world. We are one of the largest and most experienced constructors of pile foundations and we build and install military bases, harbor and marine facilities, ocean outfall systems, industrial complexes, bridges, tunnels, highways and other facilities.

I am also a director and member of the Executive Committee of Raymond International, Inc., the parent company of Raymond Builders. It was founded in 1897 as the Raymond Concrete Pile Co. and today employs 12,000 professionals and craftsmen in design, engineering, fabrication, construction and construction management disciplines.

Last year, Raymond Builders worked on projects in over 20 countries. One of our most important projects, however, is our Raymond Builders-sponsored joint venture to construct major additions to the military facilities on Diego Garcia Island. As you know, this $300 million contract is the first contract awarded under the Indian Ocean/Persian Gulf preference for American contractors.

Today I appear on behalf of the International Construction Committee of the Associated General Contractors of America. This committee represents approximately 50 of the major U.S. general construction companies engaged in international construction work. As I said before, I am accompanied here today by Jim Thompson, director of AGC's International Construction Division.

As a result of our work on Diego Garcia, I welcome this opportunity to appear before you today. I am convinced that the policy directed by Congress 2 years ago giving U.S. contractors a preference in military construction projects in the Indian Ocean/Persian Gulf region has promoted and continues to enhance the strategic capability of the United States is an important region of the world and is in the best interests of the U.S. construction industry and the U.S. economy as a whole.

If I may, I would like to outline several reasons why I believe this policy is beneficial: It provides for a strong, dependable construction capability in the region; it returns dollars to the U.S. economy, supports our domestic economy and, finally, it promotes the U.S. construction industry's competitive position overseas.

The American preference provides for a strong, dependable construction capability in the Indian Ocean/Persian Gulf region.

Mr. Chairman, it is clear that American contractors can be depended on to get the job done on important defense work overseas. There are several current examples of this capability. I believe our own work on Diego Garcia is a prime one. This project is a joint venture of ourselves, Brown & Root, and a British firm, Mowlem. Since the island is owned by the British, we were required to have a British partner.

All of the information we have on this project to date indicates that we have been very successful. We are on schedule and within the budget established for the project. We have done this in spite of the extremely remote location of the island and the need to bring in almost all materials, supplies, equipment, personnel, communications and support facilities.

Another example of American contractors on overseas U.S. military base construction is the Israeli air bases currently being built for the Department of Defense under the terms of the Camp David accords. While they are not a part of the Indian Ocean/Persian Gulf work, they do demonstrate how American contractors can effectively support defense work overseas.

On this project the Corps of Engineers selected an entirely American team of contractors for each of the bases. On one of the projects the corps picked an all-American team led by the Perini Corp., based on their concern that the project be completed on time.

The corps has not been disappointed. The project—which is 90 percent complete—is ahead of schedule. We have been told that the U.S. construction industry's performance on the Israeli air bases has restored the credibility of cost-plus/fixed-fee work within the Corps of Engineers because of the closeness of final cost to the original budget for the work.

The other project is sponsored by the Guy F. Atkinson Co. of San Francisco, Calif. They are also members of our International Construction Committee and are building as equally complex air base. This project is also on schedule.

An entirely American team has been chosen by the corps to build the facilities in the Sinai to support the peacekeeping forces required there by the Camp David accords. Here, again, where dependability, responsiveness, and speed were required, as American team was selected. This project is well ahead of schedule and is almost certain to be completed on time.

While many of our foreign competitors are competent and experienced, I seriously doubt that any group of foreign contractors could have been more dependable or responsive to the needs of the Defense Department on the projects I have just mentioned. The very nature of many of these projects requires U.S. firms that can be adequately checked for security clearances; it also requires firms that are not adversely affected by foreign political development and conflicts of interest.

I am convinced that the American preference will give you the same viable, dependable capability on the remaining defense work required in the Indian Ocean/Persian Gulf region.

Mr. Chairman, while our foreign competitors may be able to offer lower prices as a result of the support they receive from their governments, we firmly believe any increased initial cost associated with the American preference are justified and fully recovered with substantial added dividends as a result of the added returns made to the U.S. economy, and the impact this work has on the health of our domestic economy, and the strengthening of our industry's ability to support the defense needs of our country in times of crisis.

THE PREFERENCE SUPPORTS OUR DOMESTIC ECONOMY

An important feature of the preference is its impact on our domestic organizations. We frequently look at projects overseas and ask how many U.S. personnel are employed on them. From this information we try to determine its impact on the U.S. economy.

What we do not address is the very significant impact these foreign operations have on our domestic organizations. At Raymond International we have 1,500 employees directly involved in our international work based in the United States and approximately 50 percent of our overall revenues are normally generated by this foreign work.

In addition, we try to staff as many as possible of the key management and supervisory positions on overseas projects with Raymond personnel and this, of course, opens up additional employment opportunities here in the States. With the extremely serious decline in the domestic construction market today, this international construction market is becoming increasingly important. This is another reason the American preference is vital to the U.S. construction industry.

GIVING U.S. CONTRACTORS A PREFERENCE RETURNS DOLLARS TO THE U.S. ECONOMY

One of the major considerations many foreign governments have in supporting their work forces overseas is the return they receive in foreign exchange. Awarding contracts to American contractors reduces the flow of U.S. dollars abroad. Added to this is the increased preference of American contractors for American goods and services over and above those already mandated by Congress.

THE PREFERENCES ENHANCE THE AMERICAN COMPETITIVE POSITION OVERSEAS

Mr. Chairman, as we have noted in the past the competitiveness of America's construction industry overseas has seriously declined in the past few years. This decline (to a large extent) has been caused by the disincentives placed on American businesses overseas, and enormous and broad support given our foreign competitors.

American contractors have been forced to compete on an unequal basis for a number of years and as a result our market share has declined significantly, particularly in the Middle East. The American preference offers us an opportunity to return to this market and compete on a more equal basis.

One of the major expenses involved in any overseas project is mobilization. Once mobilized on a defense project overseas, it is far easier to move on to other work in the area. The preference helps us do that.

Mr. Chairman, we recognize that we have made worthwhile gains in the last year in the Congress. The reduction in taxes on our employees overseas will be a big help to those of us competing overseas in the future. We are all very grateful for your efforts in this area. There are, however, several significant disincentives remaining which hamper our efforts overseas.

In addition, our competitors still receive numerous benefits which promote their competitive positions. We are still faced with very difficult and complex burdens such as the Foreign Corrupt Practices Act and the antiboycott law, while foreign competitors are able to get government assistance including project finance, project insurance, cheap labor, project financing of proposal and feasibility costs, and project support through very effective trading companies.

Until the Office of the U.S. Trade Representative has successfully concluded agreements which will put trade in services on an equal footing with manufactured goods, I am afraid our industry will remain at a disadvantage in the international marketplace. As a result, a need still exists for this preference.

We, therefore, urge you to continue to support an American preference which limits military construction contracts in the Indian Ocean/Persian Gulf region to U.S. contractors and subcontractors.

Mr. Chairman, this concludes my testimony and I will be happy to answer your questions at this time.

Senator **Thurmond**. What do you think about the Buy American Act?

Mr. **Warren**. I think it is very helpful.

Senator **Thurmond**. We provided, I believe, that these contracts would go to American contractors unless they are more than 20 percent above some foreign contractors, also that the materials be bought here. That helps the balance of payments.

Mr. **Warren**. I have very strong feelings that we should continue that. On our Diego Garcia project right now, almost all the U.S. dollars, with the exception of some of the labor cost and some of the fee which we have to share with our British joint-venture partner, which was part of our joint agreement between our country and Britain, return to the United States or never leave it. I think it is vital that we continue in this direction.

Senator **Thurmond**. I want to assure you that the Congress wants U.S. dollars authorized for construction overseas to go to American contractors to the extent possible. I am sure you will see continued support of American preference.

Mr. **Warren**. Thank you very much.

Senator **Thurmond**. Do you have any remarks, Mr. Thompson?

Mr. **Thompson**. No, Mr. Chairman.

Senator **Thurmond**. We are glad to have you with us.

Mr. **Warren**. Thank you, sir.

Senator THURMOND. Our next witness is on behalf of the American Society of Professional Engineers and the American Society of Civil Engineers.

STATEMENT OF WILLIAM J. BIRKHOFER, DIRECTOR, AND EVERETT S. THOMPSON, CONSULTING ENGINEER AND PAST PRESIDENT, GOVERNMENTAL AFFAIRS, AMERICAN CONSULTING ENGINEERING COUNCIL, WASHINGTON, D.C.

Mr. BIRKHOFER. Mr. Chairman, we have a formal statement which we have prepared and which we would like to have entered into the record.

Senator THURMOND. We will put your prepared statement in the record.

Mr. THOMPSON. My name is Everett Thompson, and I am a consulting engineer from Grand Rapids, Mich., past president of the American Consulting Engineers Council and currently vice chairman of the organization known as the Committee on Federal Procurement of Architect-Engineer Services, COFPAES. This is an association of six professional and technical societies.

Accompanying me today is Bill Birkhofer, who is director of governmental affairs for the American Consulting Engineers Council.

I am pleased to be here today to testify in support of S. 1990, the Military Construction Codification Act, and to provide some perspective on current problems associated with small business size standards and the Department of Defense policy in relation to set-asides for architects and engineers.

With your permission, I will highight the key points of our statement and submit the full statement for the record.

We appreciate the subcommittees' and your efforts to develop and introduce S. 1990, which would bring about much needed revision and codification of provisions of law relating to military construction and military family housing.

We are particularly interested in several aspects relating to procurement of services required by the military agencies and several important features which recognize current national concerns and development of new technology.

The provisions allow advance design and construction with adequate safeguards for notification of Congress. Recognition of the potential value of solar energy is certainly most desirable, as are the provisions for the development of geothermal energy on military lands.

There are other features of the bill which appear to our group to be sound administrative procedures with reasonable flexibility which will expedite military construction projects at a time when delay means added cost due to inflationary factors.

We are particularly pleased to note that the bill proposed to write into permanent law recognized and established procedures to obtain architectural and engineering services in accordance with similar laws governing procurement of those services by other civilian agencies. This procedure has been in effect in civilian agencies for 10 years and has worked well from the standpoint of the contracting agencies and the private design community.

Mr. Chairman, this brings me to the second area of concern, that being the critical problem of Department of Defense policy concerning the almost total set-aside of architect-engineer contracts.

First, from the perspective of our group, set-asides of A–E services are inconsistent with established procedures for the selection of engineers and architects, and COFPAES believes set-asides should be eliminated.

In short, current A/E selection procedures have the effect of matching size and scope of service required for the project to the size and capability of the firms best suited to provide these services. No artificial thresholds are needed and the existence of set-asides simply hampers the perfomance of this longstanding A/E selection process.

Second, as we note in our full statement, Federal agencies are allowed and authorized to establish total set-asides under the law but are not expressly mandated to do so.

Third, in establishing a total set-aside of A/E services, the Department of Defense has created a requirement which largely eliminates a significant segment of the A/E profession from competition and may place attainment of premobilization and mobilization objectives in serious jeopardy.

My understanding is that another panel will address this issue in greater detail. Suffice it to say that if the current reservoir of Department of Defense facilities design talent is diminished, the U.S. industrial base and our mobilization readiness posture will be significantly weakened.

In summary, Mr. Chairman, our committee opposes set-asides as unnecessary to the A/E procurement process and inconsistent with established A/E selection procedure.

We firmly believe that set-asides should be eliminated. Failing that, the committee believes that set-asides should be established at fair and reasonable levels. In our statement we suggest a general approach that we think is workable. We would urge the subcommittee to bring this matter to the attention of the Department of Defense and guide the Department in the creation of a fair and reasonable set-aside of architectural and engineering contracts which enhances small business opportunities, strengthens free and open competition through established A/E procedures, and meets our strategic requirements.

Thank you very much for allowing us to try to make this presentation.

[The prepared statement of Mr. Thompson follows:]

PREPARED STATEMENT OF EVERETT S. THOMPSON, P.E., VICE CHAIRMAN, COMMITTEE ON FEDERAL PROCUREMENT OF ARCHITECTURAL/ENGINEERING SERVICES

Mr. Chairman and Members of the Subcommittee, my name is Everett Thompson and I am a consulting engineer from Grand Rapids, Michigan, a Past President of the American Consulting Engineers Council and Vice Chairman of the Committee on Federal Procurement of Architectural-Engineering Services (COFPAES), which represents the following professional technical societies:

American Congress of Surveying and Mapping;
American Consulting Engineers Council;
American Institute of Architects;
American Road and Transportation Builders Association;
American Society of Civil Engineers: and
National Society of Professional Engineers.

I am pleased to be here today to testify in support of S. 1990, the Military Construction Codification Act and to provide some perspective on current problems associated with small business size standards and the Department of Defense's policy in relation to set-asides for architects and engineers.

We have noted the development and introduction of a carefully considered bill to revise and codify the permanent provisions of law relating to military construction and military family housing—S. 1990. Our analysis indicates that this is a much-needed comprehensive review of a number of important aspects of law governing the procurement of services required by the military agencies and reflects also several important features which recognize current national concerns and the development of new technology.

We note, for example, the provisions allowing advance planning and construction design with adequate safeguards for notification to appropriate committees of Congress of the scope of the proposed project and estimated cost of required services. The recognition of the potential value of solar energy in Section 2852 is certainly most desirable and is an area in which the engineering and architectural community has a great interest. Likewise, the provisions for development of geothermal energy on military lands is of far-reaching significance to support that important potential source of new energy.

There are other features of the bill which appear to our group to be sound administrative procedures, with reasonable flexibility, which will expedite military construction projects at a time when delay means added cost due to inflation factors. Some of these features include cost variation provisions, energy and fuel contract procedures and promotion of the use of recyclable materials.

We are particularly pleased to note that the bill proposes to write into permanent law recognized and established procedures to obtain architectural and engineering (A-E) services in accordance with existing similar laws governing the procurement of those professional services by civilian agencies. This procedure has been in effect in the civilian agencies for ten years and has worked remarkably well from the standpoint of contracting agencies and the private design community. Under these procedures all firms are given a full opportunity to be considered on the basis of professional qualification and merit for each project and the emphasis in the selection process is on quality of services, based on many factors determined by the agency, such as expertise in the technical requirements, assignment of personnel, time factors and such other criteria as may be determined by the agency. None of this is new to the military agencies; they have been following exactly this type of procedure for many years, as prescribed in the annual military construction authorization laws and by earlier laws dating back to an 1861 appropriation act. But we strongly favor writing this authority into permanent law through the codification legislation and thereby establish in permanent law a government-wide, consistent standard for obtaining professional design services which are such a vital factor in a successful military construction program.

Mr. Chairman, I now turn to our second area of concern, the present body of law and regulation concerning small business size standards and the critical current problem of Department of Defense policy concerning set-asides which, taken together, pose unique and serious concerns for the architect-engineer profession and for the Department itself.

We believe these problems can and will have significant adverse impacts on the Department's premobilization and mobilization missions, particularly in the context of military construction activities.

The first of these problems is the present size standard established by the Small Business Administration (SBA) for architectural and engineering firms.

The Small Business Administration is responsible for establishing specifications to determine "small business" size standards for use by all government agencies. The current size standards for engineering firms is set at $7,500,000 average volume of business per year for three years and for architectural firms at $2,000,000 average volume of business per year for three years.

The vehicle by which SBA (and most public and private entities) catalogs and classifies industry, for purposes of reporting on financial performance and other industry characteristics, is the Standard Industrial Classification (SIC) system, developed by the Interagency Technical Committee on Industrial Classification, which includes a code for "architect and engineering services" (SIC 8911).

Included in this particular code are a wide range of engineering services, some of which have little or no relationship to the average architect or engineer in private practice. For example, marine engineering and petroleum engineering, which are also listed in SIC 8911, probably allow for inclusion of firms with a primary orientation to manufacturing, equipment supply and/or construction, as opposed to independent planning and design. So it is reasonable to assume that at least some of the firms included in SIC 8911 are large, multi-national design/builders and manufacturers with literally thousands of employees and that the profile of our profession (including the size of the typical design firm) may be exaggerated as a result.

The second point to be made in conjunction with size standards is that they are, in the final analysis, dollar- or employee-based artificial thresholds which, nominally considering concentration within a particular industry, are designed to foster entry and growth; they may or may not enhance competition. However, it is clear that the architect-engineer profession is highly competitive and SBA itself appears to concur in that characterization.

For example, an SBA entry in the "Federal Register" (Volume 45, Number 48, March 10, 1980, pages 15442 to 15443) dealing with size standards describes the nature and purpose of such standards:

"Competitive industries display a more equal distribution of sales, and the average firm is relatively small when measured by annual sales or number of employees . . . *competitive industries size standards should be set relatively low,* (emphasis added) so as to support entry and moderate growth. Because such industries are already competitive, SBA intervention will not necessarily enhance competition. . . . Small business concerns should not become dependent on continuing assistance under the Small Business Act from the '*cradle to the grave*' (emphasis added) but should plan for the day on which they can thrive without assistance."

Finally, the imposition of a size standard is only necessary if particular segments of the industry would otherwise be eliminated by natural competitive forces from the market. There is good reason to believe that such elimination does not and would not occur in the A–E profession.

The means by which A–E services are procured by federal agencies naturally enhances the opportunity for all A–E size segments to obtain their respective "fair shares" of work. The A–E selection process, which considers a wide range of factors, including experience, size, expertise and location, virtually insures a natural marriage between size and scope of project and size and capability of firm. Even though price is considered only after other technical and experimental factors, price in and of itself has a "leveling" effect as well, in that economies of scale are such that large firms simply cannot afford to take on small jobs. And when experienced federal A–E selection representatives (many of whom are also licensed design professionals themselves) evaluate and compare projected costs (their own estimates and the price submitted by the negotiating firm) in the negotiating process, they can readily detect those economies of scale.

These are arguments we can and will make to the Small Business Administration and we recognize clearly that this aspect of the A–E profession's problems with small business law and regulation must be resolved either administratively by SBA or legislatively by the Congress.

Conversely, we view the establishment of set-aside programs as a procurement issue largely within the purview of the individual federal agencies.

In this regard, the second major problem facing our profession at present is the provisions of the Defense Acquisition Regulations (DAR Section 1–706) which essentially provide for exclusive small business set-asides by procuring Department of Defense (DOD) activities in any instance, wherein at least two small business firms can provide the needed goods and services at reasonable prices.

With the passage of the Small Business Act Amendments of 1978, specifically Section 221(i) of P.L. 95–507 (15 U.S.C. 644), "architect-engineer services" were specifically mentioned for the first time in the context of federal agency set-aside programs:

"(i) Nothing in this or any other provision of law precludes exclusive small business set-asides for procurements of architectural and engineering services, research, development, test and evaluation, and each Federal agency is authorized to develop such set-asides to further the interests of small business in those areas."

It is fairly clear from the legislative history, which involves consideration of the House and Senate Small Business Committees and Senate Governmental Affairs Committee (see H. Report [Small Business Committee] 95–949, dated March 13, 1978 [to accompany H.R. 11318;] S. Report [Small Business Committee] 95–107, dated August 8, 1978 [to acompany H.R. 11318]; S. Report [Governmental Affairs Committee] 95–1140 [to accompany H.R. 11318], dated August 23, 1978; and House Conference Report 95–1714 [to accompany H.R. 11318] dated October 4, 1978) that the Congress was concerned with the expansion of small business subcontracting requirements in all federal contracts and the original language of Chapter 3 of Title II was included in an earlier measure sponsored by Senators Nelson and Hathaway. On this point, S. Report 95–1070 states in part "... The purpose of this Chapter (3) is to increase the dollar volume of small business subcontracts on Federal contracts and generally to improve the Federal contracting environment for small business." (page 3). It is important to note, however, that no reference to total set-asides of "architect-engineer services" was included in the original legislation.

As to the background leading to this objective, S. Report 95–1070 notes the committee's concern over slow growh in annual percentage of federal contract dollars awarded to small business and states in part:

"A critical problem area involves the small share—only 5 percent—of the Federal contract dollar that research and development companies annually capture. In light of the widely acknowledged innovative abilities of these small research firms, the committee believes that it is essential that Federal agencies award more contracts to them . . ." (page 17).

In summary, the report notes that Section 221(i) requires department and agency cooperation with SBA in establishing goals for small business participation in federal procurement and notes further that Section 221(i) authorizes agency use of set-asides as a tool to increase the small business share of research and development contracts.

S. Report 95–1140 also makes reference to the provisions of Section 221(i) as *allowing* agencies to set-aside contracts for research, development, test and evaluation activities for small business.

In House Conference Report 95–1714 the Section 221(i) provisions are further discussed and it is noted that the conferees adopted the provisions of the Senate but extended the set-aside authority to contracts for architectural and engineering services.

The description of the set-aside authority agreed to is one which" . . . specifically *authorizes* Federal agencies to reserve for small business contracts for research, development, test and evaluation . . ." (with "architectural and engineering services" added in the conference substitute) (page 27).

There is no reference to set-asides in either the House or Senate floor debates on H.R. 11318 (see pages 7529 to 7534 and pages 29632 to 29646, "Congressional Record", Volume 124, 1978). There are two references to "set-asides" in the later deliberations (October 6, 1978, in the House, October 10, 1978, in the Senate) on the Conference Report on H.R. 11318 (pages 34096 to 34098). In the comments of Mr. Addabbo (D-NY), reference is made to the measure's authority in this area:

"The grant of authority under the bill is such that the director (or the Office of Small and Disadvantaged Business Utilization), if the agency head agrees, can direct any procurement officer in that agency to make any particular requirement either an 8(a) contract or *a small business set-aside.*" (emphasis added)

In referencing the Nelson-Hathaway measure mentioned above, Mr. Drinan (D–MA) noted that H.R. 11318 would provide for "... an automatic small business set-aside for contracts under $10,000. . . ." (Note: Public Law 97–86, 10 U.S.C. 2304 [a] [3], increased the $10,000 small purchase authority specified in P.L. 95–507 to $25,000. Subsequently, on December 16, 1981, the Defense Department, through action of the Defense Acquisition Regulation [DAR] Council, incorporated the $25,000 small purchase authority provision in those regulations [DAR 1–106.2(d)].)

With this background, it appears that federal agencies are *authorized* or *allowed*, but not *expressly mandated* under P.L. 95–507 to totally set-aside architectural and engineering services for small business.

In this regard, the requirements of Section 1–706.5 of the Defense Acquisition Regulations, which calls for total set-asides of "... contracts for architectural and engineering services ...", appear to be unnecessarily constraining. In fact, there are significant reasons to question the wisdom of such a far-reaching approach.

The first of these discussed in detail above relates to the inherent "leveling" effect of current and longstanding A–E selection practices, codified in Public Law 95–582. The best evidence that the A–E selection process works to provide a close correlation between size and scope of work and size and capability of firm is found in data provided by the Federal Procurement Data Center to the Small Business Administration concerning federal agency procurements of engineering, architectural and surveying services during the first half of fiscal year 1981. The data reflects total "buys" of a federal agency or department within specific Standard Industrial Classifications (SICs), cross-referenced to Product/Service Codes (PSCs). The data alos allows comparison of the respective dollar volumes of those "buys" awarded to "small" and other business and further separates "small business set-asides" from the total awarded to "small business". Note: Small business subcontracting dollar volumes are not included in the data.)

Significantly, of 27 agencies and departments surveyed, in all but three cases, A-E services procured from small business routinely exceeded procurements through set-asides. For the Department of Defense, for example, A-E set-asides accounted for some 22 percent of total A-E service contracts awarded to small business. That relative percentage is typical to most agencies.

This may provide the strongest indication of the effectiveness of current statutory competitive A-E selection procedures in insuring opportunities for small business. If subcontracting opportunities are as prevalent as direct contract awards, then it can be assumed that perhaps 40 to 50 percent of all A-E services provided to federal agencies and departments by outside A-Es derive from small business. This is particularly likely to be the case in the larger agencies and departments, such as DOD, wherein subcontracting requirements are strongly enforced.

Of particular interest are the potential impacts of the "total set-aside" provision on premobilization and mobilization requirements associated with the military construction program. Cursory review of the "Engineering News Record" magazine's "Top 500" design firms and A-E contract award statistics submitted by DOD to Congress will reflect close correlation. That is, among the medium-to-large multi-national architect-engineer firms noted in the top 50 percent of the ENR listing are those firms with the greatest aggregation of DOD facilities design experience and manpower, both in the United States and in overseas environments. In light of significant increases in military construction commitments and, particularly special mobilization-oriented programs such as the "mobilization Master Plan" discussed in the Defense Mobilization Conference, as well as the general emphasis on increased mobilization readiness, it would seem most important that the architect-engineer element of the U.S. industrial base be maintained and strengthened.

In this regard, the Section 1-706.5 provisions are increasingly counterproductive. In practice, the "total set-aside" approach is foreclosing most opportunities (on a project-based, not a dollar-based, measure) from these medium-to-large firms. As a result, the aggregation of military facilities design and management talent is being diminished not only through attrition, but through direct lay-offs.

Finally, from a standpoint of fairness and equity, it should be remembered that the policy objective here is to provide reasonable opportunities for small business and strategies which lead to extraordinary dislocation or disenfranchisement of other than small business should not be viewed as acceptable strategies to achieve these objectives.

Of these two major problems we have discussed, it is recognized that the Department of Defense is only in a position to deal with the administration of the set-asides program through its procurement activities and regulations. While it is the general position of COFPAES that set-asides for architects and engineers are unnecessary and should be totally eliminated, we recognize the difficulty in taking such a position.

However, given the impacts we have outlined on the military construction program, we would hope the Subcommittee might give specific direction to the Secretary of Defense to implement a fair and reasonable set-aside program for architect-engineer services, as opposed to the current "total set-aside" approach.

In our view, with appropriate guidance from this Subcommittee, the Secretary could devise a program setting aside a fair and reasonable percentage of architect-engineer assignments and make appropriate changes in the provisions of the Defense Acquisition Regulations.

Specifically, we would suggest that a fair and reasonable percentage of architect-engineer set-asides be developed, based on program requirements, current character of the industry with particular emphasis on the degree of competition and concentration, the percentage of A-E subcontracting opportunities and non-set-aside awards to small businesses. The set-aside percentage should be negotiated annually between the Department of Defense and the Small Business Administration, with the Office of Federal Procurement Policy mediating any differences or disputes (as provided for by P.L. 95-507).

The concept of a "floating" set-aside percentage based on the factors noted, together with exclusive set-asides for assignments up to $25,000, will provide significant opportunities for small and disadvantaged architect-engineer firms, while allowing the Department's military construction program objectives to be met through utilization of architect-engineer firms based on staffing, location and experience requirements. There should be enough flexibility to accommodate not only "small" but "socially and economically disadvantaged" businesses (since the two groups are not mutually inclusive).

Given the magnitude of the current problems and current military construction program activities, we would also suggest that the Secretary of Defense be given the opportunity to make a timely report to this Subcommittee on changes in the administration of the set-aside program and the Defense Acquisition Regulations.

Mr. Chairman, COFPAES and its individual member societies stand ready to assist you in dealing with this matter and we would be glad to work with you and your staff in the development of specific provisions, language and related details. We are confident that with the guidance of the Subcommittee a policy which recognizes the competitive nature of the architect-engineer profession, the social policy objectives of the Small Business Administration and the strategic requirements of the Department of Defense can be developed.

Thank you for your consideration.

Senator THURMOND. Thank you very much. You were speaking, as I understand it, for all three?

Mr. THOMPSON. All six of these organizations.

Senator THURMOND. Is there anything additional now you wish to say?

Mr. BIRKHOFER. Mr. Chairman, we might add that the staff has been most helpful and understanding of the architect-engineer profession on this particular problem. We are working with them very effectively.

Senator THURMOND. Good. We are pleased to have you here. Thank you for the contribution you have made to this hearing.

Now we will hear from the architect-engineer community.

STATEMENT OF CARROLL N. LeTELLIER, SVERDRUP & PARCEL ASSOCIATES

Mr. LETELLIER. We have a statement for the record.

Senator THURMOND. You may wish to introduce the gentlemen with you.

Mr. LETELLIER. I shall indeed in the course of the testimony.

Mr. Chairman, I am Carroll N. LeTellier of Sverdrup & Parcel Associates, a consulting engineer firm. I am pleased to have the opportunity to appear before this joint committee on behalf of some of the Nation's leading architect/engineer firms. These are the firms that over the years have designed a large portion of our Nation's defense and space facilities.

We are most pleased to follow and support the previous statement of Mr. Thompson of the Committee on Federal Procurement of Architectural/Engineering Services.

I am joined today by key members of other leading architect/engineer firms with offices throughout the United States and overseas—Mr. Carlos C. Villarreal of Wilbur Smith & Associates; Mr. Rex M. Ball of HTB, Inc.; Mr. William G. Ritchie, of C. E. Maguire, Inc.; and Mr. Richard L. Corrigon of CH2M Hill, Inc.

We want to make two points today: First, with much credit due to you, gentlemen, our Nation has begun a massive program of rebuilding our defense capabilities which requires the full resources of the architect/engineer industry to help do the job.

The current Department of Defense acquisition policies effectively deny the defense effort the ability to engage firms with great capacity and versatility and with broad worldwide presence and experience.

Our second point is that the very policies which impede the current military construction and mobilization capabilities of the Department of Defense are followed in the name of small business, but ironically they do not have the desired effect. The size standards for the architect/engineer firms are so encompassing that a newly formed and struggling small business experiences no privileged position.

We think you will agree, when the rules implementing the Small Business Act do not especially help small business, and these same rules deprive the military from normal peacetime contact with the firms most capable of supporting military mobilization. This cannot be considered in the national interest.

Quite simply, the problem arises out of some policies which the small business size standards and the related defense small business set-aside program which have consequences in the architect/engineer industry that we think no one anticipated or wanted.

To summarize Mr. Thompson's statement of the problem, this condition has been brought about by two separate actions: First, adoption of the small business size standards which established that a firm which earns $7.5 million per year averaged over a 3-year period is a large business and is beyond the statutory protections given to small business. This results in 99 percent of architect/engineers being classified small business.

Second, implementation of the Department of Defense acquisition regulations which set aside architect/engineer contract opportunities for exclusive small-business participation if the contracting officer determines that there is a reasonable expectation that at least two responsible small businesses will make offers at reasonable prices.

Allow me to illustrate what these two policies do to our industry, the small business community, and the defense effort in general.

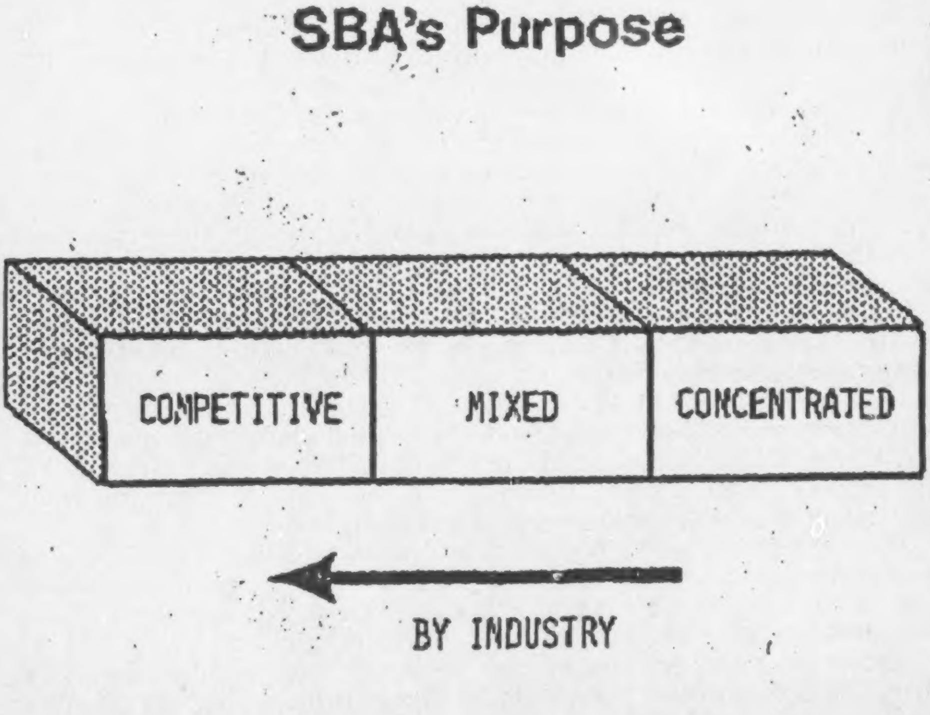


CHART #1

We understand the purpose of the Small Business Act to be to encourage competition within all industries and to provide small business an opportunity to enter and operate within an environment that will support reasonable growth. The size standard is intended to be one tool to support this objective. In categorizing industries, the Small Business Administration determines whether the industry is concentrated: that is, an industry where the four largest firms have 50 percent of the sales of that industry. On the other end of the scale are the competitive industries which display a more equal distribution of sales, and the average firm is relatively small when measured by annual sales or number of employees. Our industry, the architect/engineer industry, is an excellent example of a competitive industry. The automobile industry is an excellent example of a concentrated industry. The mixed industry category is not quite so expressly defined, but falls between competitive and concentrated. It would appear that SBA would establish policy to move as many industries as possible toward the competitive category in all of its programs, including size standards.

Now even though Mr. Thompson has previously quoted the following, I believe it bears repeating. This is SBA's own statement about competitive industries:

> Size standards for * * * competitive industries should be relatively low so as to support entry and moderate growth. Because such industries are already competitive, SBA intervention will not enhance competition * * * small-business concerns should not become dependent on continuing assistance under the Small Business Act from the "cradle to the grave" but should plan for the day on which they can thrive without such assistance.

I would like to emphasize Mr. Thompson's statement that the current DOD and SBA policies result in well over 99 percent of the A/E's being classified as small business.

Now let's look graphically at what SBA's set-aside policy is and the policy generally followed by Federal agencies except DOD.

SBA & Other Federal Agency
Set Aside Policy

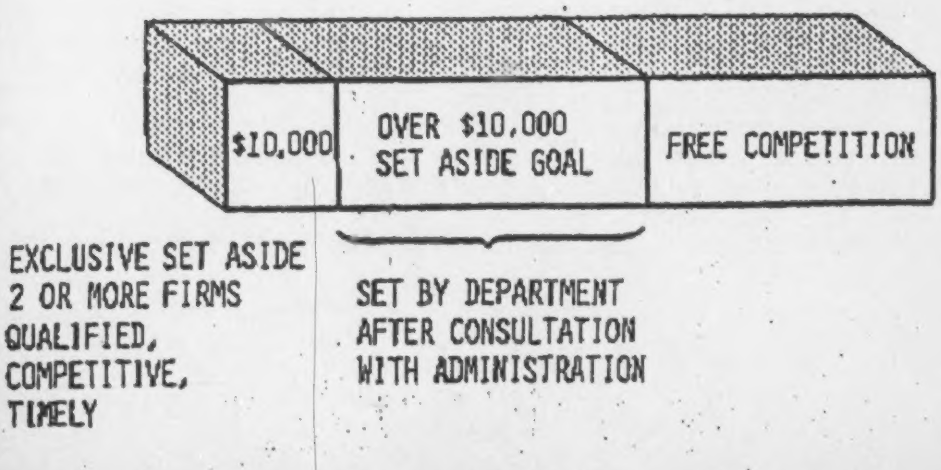
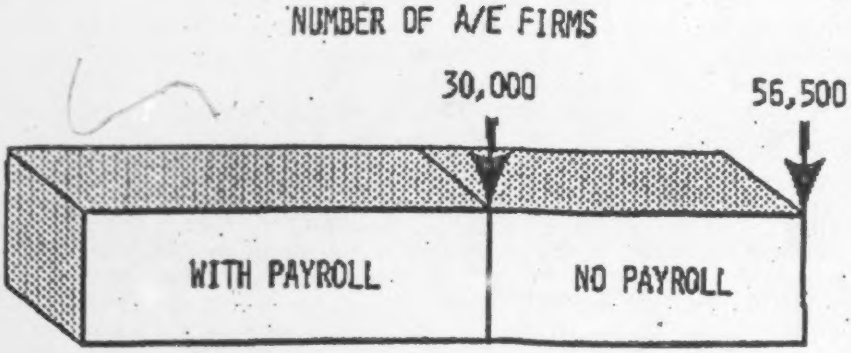


CHART #2

This policy establishes a small purchase category of $10,000—which we understand has been increased recently to $25,000—under which all procurements will be exclusively set aside for small business if there is a reasonable expectation that two or more small firms will be qualified, competitive and can make a timely delivery.

Under the SBA policy, for purchases over $10,000 the Department or agency, with White House guidance, will set annual small business goals. Above this goal contacts are open to free competition.

Practicing A/E Firms Per 1977 Census



AVERAGE SIZE – 10 - 12 PERSONS

SMALL BUSINESS SIZE STANDARD – $7,500,000 (200 PERSONS)

CHART #3

Let us look at a simple diagram that depicts our industry. The most recent available census statistics show about 56,500 A/E firms in this country; 30,000 of these have a regular payroll. The average-size firm is 10 to 12 persons in size. Contrast this with SBA's current size standard of $7.5 million average volume or a firm of about 200 persons in size.

A size standard which makes a 200-man A/E firm a small business hardly seems compatible with SBA's own language that competitive industries—which A/E firms are—size standards should be "relatively low." That is a quote.

Now let me move to the basis for the defense small business set-aside policy, chart 4.

Defense Department Policy

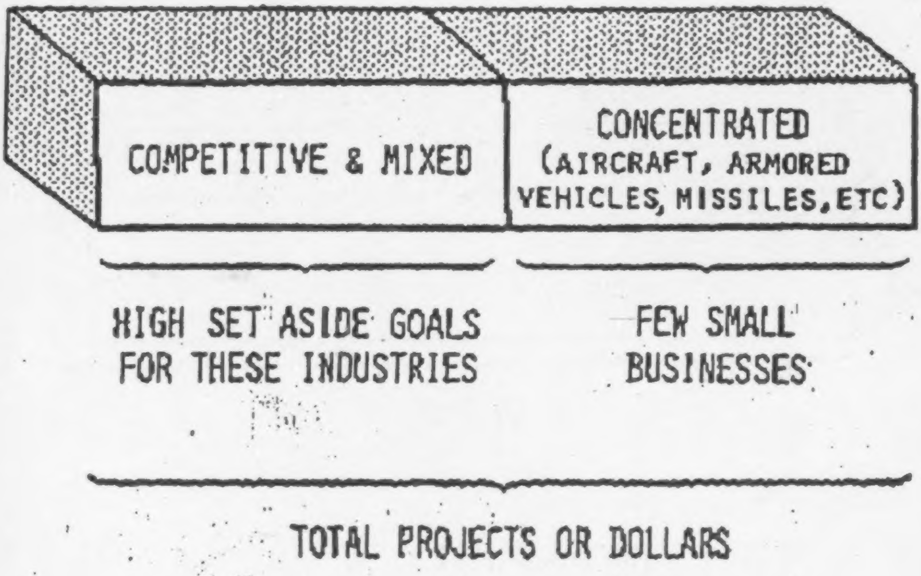

COMPETITIVE & MIXED
CONCENTRATED (AIRCRAFT, ARMORED VEHICLES, MISSILES, ETC)
HIGH SET ASIDE GOALS FOR THESE INDUSTRIES
FEW SMALL BUSINESSES
TOTAL PROJECTS OR DOLLARS

CHART #4

DOD spends much of its money in concentrated industries where few if any small business opportunities exist; thus with regard to the concept of "fair proportion" of contracts awarded to small business concerns—and this is a quote from DOD:

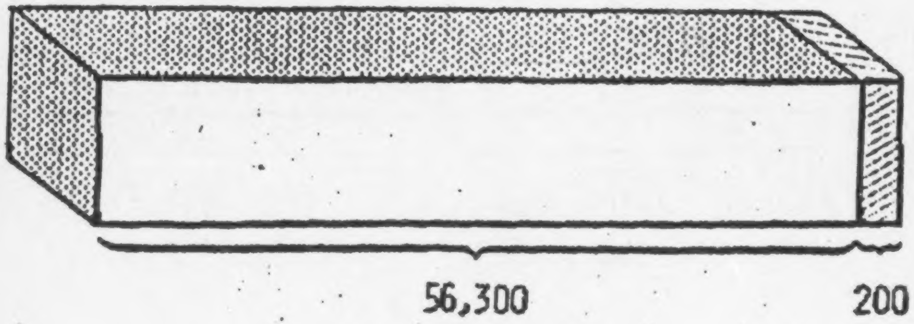
> The DOD considers the total value of all contracts awarded by the Department rather than the total number of contracts awarded in selected industries.

Thus, due to the large number of dollars spent by DOD in the concentrated industries such as tanks, armored vehicles, ships and aircraft, there are few if any small businesses in these areas; therefore, competitive businesses are required to take an inordinate share of the small business set-aside in order for the DOD to even show 19 to 21 percent of their overall program set-aside for small business.

Thus, DOD has considered it necessary to find some way to let competitive industries take a greater than "fair share" of the overall small business set-aside program, even though SBA itself states:

> Because such industries are already competitive, SBA intervention will not enhance competition.

The final chart we have shows the combined effects of the Small Business Administration size standard and DOD's exclusive set-aside policy for the A/E industry.



DAR Exclusive Set Aside Policy

IF 2 OR MORE FIRMS QUALIFIED, AT REASONABLE PRICE

CHART #5

Ironically, there are about 200 A/E firms in the United States that have 200 or more employees. Now, if in the light of current policy I were a military or civilian contracting officer, I would be hard pressed to tell my superior that of 56,300 firms, the number that are considered small businesses, that I could not find two qualified firms that could reasonably be expected to submit competitive proposals. If I did I think I would be in error.

This is especially true when the effectiveness of my small business program is a consideration in my performance rating.

The policy of the Small Business Act and the set-aside program is to provide small business with a fair share of Government contracting opportunities. While reasonable men may differ on the amounts to be restricted to small business in an industry, it is clear that the law intends some portion of the Federal contract dollar to be available to all qualified A/E's and not summarily eliminate all firms above the SBA size standard.

Certainly, the amount should not be left to the discretion of a contracting officer who is being pressed by his command for higher levels of small business performance.

This invites three conclusions: First, the current size standard for our industry as applied by the Department of Defense DAR policies for small business set-aside programs frustrates both the Department's effort to encourage small business and accomplish the military construction goals of the country.

Second, the proper procurement method exists in the form of the Brooks bill, or its counterpart within the military construction authorization. In the highly competitive architect/engineer industry the Brooks bill assures as much as any other measure can that each project will go to a firm of a right size and with the best qualifications.

The industry itself is in broad agreement that no other mechanism whatsoever is required.

Third, the defense acquisition regulations, which effectively mandate almost total set-aside of architect/engineer contracts, must be changed as quickly as possible.

The absence of the Nation's large multidiscipline architect/engineer firms from defense work means loss of contact by the Department of Defense with the special experience and the Nation—and worldwide capability that only the large and more experienced firms can produce. Most importantly, it means a loss of vital experience in military design and engineering at a time that that experience is most urgently needed.

Under the current policy, firms that have not reached the arbitrary $7.5 million threshold will build up the defense component of their practice quite suddenly and with unhealthy consequences.

The most bizarre effect, as the firm grows to the point where they can absorb the work and have developed some proficiency at it, they pass through the threshold and graduate into the league of the large business firms, which means they are summarily eliminated from further defense work until they lose enough work and fire enough professional engineers to shrink back below the threshold.

What that means, of course, is the continuous elimination of the most experienced firms and a great deal of instability as this Government creates a hire-and-fire situation in our industry.

The irony of all of this is that the Defense Department small business set-asides do not specifically benefit small business.

There is a solution. You committees cannot do anything directly before the SBA size standards. It must be dealt with elsewhere. But you can do something about the Department of Defense's acquisition procedures.

We urge the committees to direct the Secretary of Defense to modify current procedures for procuring architect/engineer services.

First, we ask that the Department of Defense be directed to provide annual disclosure to the committees and the architect/engineer community of the Department's current and prospective allocation of contracts to small firms.

Second, we believe you should insure that an appropriate set-aside is established for MBE's, minority business enterprises, and WBE's, women's business enterprises.

Finally, if you must believe that set-asides are needed in highly competitive industries, then you should insure that only reasonable goals for small businesses are established and, equally important, that meaningful contracting opportunities are provided for all.

Thus the present DAR language must be changed or eliminated entirely.

Mr. Chairman, I appreciate your interest and attention and my fellow panel members and I will be happy to address any questions you may have.

Senator **Thurmond**. Thank you very much.

You are recommending a change in the policy. According to that chart, you have 56,300 against 200?

Mr. **LeTellier**. That is correct, Mr. Chairman.

Senator **Thurmond**. In short, you are recommending what?

Mr. **LeTellier**. In short, Mr. Chairman, we are recommending that the Department of Defense be not holier than the SBA recommended procedures which are that under $25,000 contracts are set aside exclusively for small business enterprises if it can be demonstrated that two or more firms can provide the required work at a competitive price within time.

For over $25,000 annually, the Department or agency will provide, after a guidance from the White House, established goals to this committee. We then recommend that the contract over and above those goals be available to the entire industry on a free and competitive basis, sir. That is the substance of our recommendation.

Senator **Thurmond**. Last Wednesday a Defense representative told us that the large firms are getting 30 percent of the dollars, although there were only 200. Do you have any comment?

Mr. **LeTellier**. Yes, sir; I do. We have attempted to obtain figures that we could have confidence in that would substantiate those figures. We have been unable to do it.

I would suggest the basis for those figures be made available to all of us; however, the accuracy of these figures is possible, because the new DAR has only been in effect for about 18 months. There are some contracts that were awarded prior to the time that these regulations were established and earnings are still being accrued by some of the larger firms on previously issued contracts.

However, if you would look at the Commerce Business Daily recently and see how many contracts are available. I think you would find that over 95 percent of the contracts currently being advertised in the Commerce Business Daily by the Department of Defense are exclusively set aside for small business enterprises. This extremely high level of small business set-aside is being established not at the Washington level, not at the Department level, but is being established by a contracting officer at the working level who is hamstrung by the DAR and under intense pressure to set aside everything for small business.

Senator **Thurmond**., Gentlemen, thank you very much. We are glad to have you with us.

Mr. **LeTellier**. Mr. Chairman, I would like to say that all of us feel that you have ample authority in the Brooks law to maintain a competitive A/E community.

I would like to express my real appreciation to you, personally, sir, for the opportunity to appear before you.

Senator **Thurmond**. Thank you.

I am wondering, has your organization had an opportunity to confer with the Small Business people, to see if any agreement can be reached?

Mr. LETELLIER. We have discussed it with the minority business enterprises.

Mr. Chairman, it is very difficult to determine what is small business because there is a Small Business Administration new size standard soon to be published. There is much nervousness in the industry that the size standard may be considerably reduced. So some architect/engineers who are considered small business today may tomorrow be large business. There is really no organization that we can look to in the architect/engineer industry that we could consider truly represents either large or small business, our professional organization represent the entire industry.

STATEMENT OF RICHARD L. CORRIGAN, VICE PRESIDENT, GOVERNMENTAL AFFAIRS, CH2M HILL, ENGINEERS, PLANNERS, ECONOMISTS, SCIENTISTS, WASHINGTON, D.C.

Mr. CORRIGAN. Mr. Chairman, I am Richard Corrigan. If I may add, I think the problem is not just the small business size standard itself but the fact that the size standard, in concert with DOD's DAR regulation, which requires virtually total set-asides for A/E services, is what is causing the A/E community this great difficulty.

Even if we were to reduce the size standards for small businesses, let us say, to 10 or 12, which is the average size for an architect/engineer firm, DOD's exclusive set-aside policy would still force contracting officers to solicit proposals from only small businesses.

STATEMENT OF REX M. BALL, HTB, INC.

Mr. BALL. Mr. Chairman, similar views were presented by me in testimony to Senator Hatch's Committee on Small Business. That has been coordinated with him and his staff.

STATEMENT OF CARLOS C. VILLARREAL, WILBUR SMITH & ASSOCIATES

Mr. VILLARREAL. Unfortunately, our chairman of the board, Wilbur Smith, was unable to get up here this morning from Columbia, S.C. He sends you his very best regards, Senator. He asked me to tell you that we have grown our firm on the basis of individual profit centers. Wherever our firm gets a job, we set up an office. When that job is completed, we leave our people there, and then base their means of survival on getting additional business.

Most of our offices, Senator which are scattered over the country, are relatively small. We may have 15 or 20 or 30 people in an office, and each one has its own separate profit-and-loss statement. For example, one of our small offices may be down the street from a business that is classified as a small business, but which employs 125 to 150 people. They have a license to bid the set-aside jobs, but we do not. As a result, Senator, we are unable to compete with these small businesses in our offices which actually have far fewer people.

Senator THURMOND. I see the point you make.

Mr. VILLARREAL. It is a very serious thing in our profession because what it essentially means, is that if our regional offices, with 20 or 30 employees cannot get any business, we have to let our people go.

Mr. LETELLIER. For a young man getting out of college, the current policy is going to make him think whether he goes to work for a big business that has a small office in a local area, or whether he goes to work for a small business that may have a large office in the area, because his future and his security depend on the type of operation that he is involved in, whether it is small business or large business.

I am sure he does not recognize that and we are firing a lot of these young people now due to this policy.

Mr. CORRIGAN. Also with regard to how these policies impact regional offices, one of the requirements for contracting for A/E services with DOD and the various armed services is that the firm be located in close proximity to the contracting office.

The point that Carlos Villarreal has made on behalf of Wilbur Smith & Associates and I make on behalf of my own firm, CH2M Hill, Inc., which has a regional office of about 35 people in Columbia, S.C., is that our small regional offices are precluded from competing for these A/E services contracts because they are part of a so-called large firm. This is so even when the regional offices we are describing here may be 25 or 30 in size as is the case for many of our firm's offices. It is ironic that while they are smaller than those neighboring firms defined as "small businesses," these offices are ineligible for A/E contracts from DOD and the various armed services.

Senator THURMOND. Mr. Ritchie, do you have any comment?

STATEMENT OF WILLIAM G. RITCHIE, C. E. MAGUIRE, INC.

Mr. RITCHIE. Yes, sir. I would like to make another comment about the number of set-asides.

I believe that the DAR policy was implemented about 18 months ago, but the history would show that prior to the implementation of that DAR policy the military field offices nevertheless were selecting firms that were sized in accordance with the project at hand.

I believe historically you would see that the small business goals, not the small business set-aside but the small business goals, of the Nation, particularly on military construction, were being met by the military acquisition officers and by their civilian counterparts.

Senator THURMOND. Anything else?

We thank you very much for your presentations. It has been very helpful.

Mr. LETELLIER. Thank you, Mr. Chairman.

Senator THURMOND. The committee is adjourned.

[Whereupon, at 11:30 a.m., the subcommittees were adjourned, subject to call of the Chair.]

INDEX OF INSTALLATIONS

A

Page

Aberdeen Proving Ground, Md 4, 252, 341
Adak, Alaska:
  Naval Facility 14
  Naval Station 136
Aerospace Center, St. Louis, Mo 37
Air Base:
  Aviano, Italy 30
  Comiso, Sicily 38, 427
  Diego Garcia, Indian Ocean 29
  Incirlik, Turkey 30, 33, 145
  Kadena, Japan 29
  Kunsan, Korea 29
  Kwang-Ju, Korea 29
  Misawa, Japan 29
  Osan, Korea 29
  Ramstein, Germany 35
  Rhein-Main, Germany 29
  Torrejon, Spain 30
Air Force Academy, U.S., Colo 28, 465
Air Force Auxiliary Field, Gila Bend, Ariz 28, 151
Air Force Base:
  Altus, Okla 26
  Anderson, Guam 30
  Andrews, Md 26, 151, 187
  Beale, Calif 27, 151
  Bergstrom, Tex 28, 146, 437
  Blytheville, Ark 27
  Bolling, Washington, D.C 26, 151, 187
  Cannon, N. Mex 28
  Carswell, Tex 27, 436
  Centerville, Calif 441
  Chanute, Ill 25
  Charleston, S.C 26
  Clark, Republic of the Philippines 29, 139
  Columbus, Miss 25
  Davis-Monthan, Ariz 28, 414
  Dover, Del 26
  Dyess, Tex 27
  Edwards, Calif 25
  Eglin, Fla 25, 156, 157, 161
  Eielson, Alaska 26
  Elmendorf, Alaska 26, 37, 156, 157, 161
  Ellsworth, S. Dak 27, 476
  Fairchild, Wash 27, 151
  Francis E. Warren, Wyo 27, 35
  George, Calif 28
  Goodfellow, Tex 25, 428
  Grand Forks, N. Dak 146
  Griffiss, N.Y 27
  Hanscom, Mass 151
  Hill, Utah 24, 438
  Holloman, N. Mex 28, 35

Page

- Air Force Base—Continued
  - Homestead, Fla 28
  - Keesler, Miss 25
  - Kelly, Tex 24, 151
  - Kirtland, N. Mex 26, 35
  - K. I. Sawyer, Mich 27
  - Lackland, Tex 25
  - Langley, Va 28, 151, 156, 157, 161
  - Laughlin, Tex 25
  - Laurence G. Hanscom, Mass 25
  - Little Rock, Ark 26
  - Loring, Maine 27, 34
  - Lowry, Colo 25, 428,
  - Luke, Ariz 436
  - MacDill, Fla 28, 33, 184, 428, 429
  - Malmstrom, Mont 27
  - March, Calif 27
  - Maxwell, Ala 25
  - McChord, Wash 26, 151
  - McClellan, Calif 24, 52, 157, 158, 161
  - McConnell, Kans 27, 138
  - McGuire, N.J 26
  - Moody, Ga 28
  - Mountain Home, Idaho 28
  - Nellis, Nev 28, 156, 157, 161
  - Norton, Calif 26
  - Offutt, Nebr 27
  - Osan, Korea 156
  - Patrick, Fla 156, 158, 161
  - Peterson, Colo 27
  - Pope, N.C 26
  - Randolph, Tex 25
  - Reese, Tex 25
  - Robins, Ga 24, 156, 157, 161
  - Scott, Ill 26, 151
  - Seymour-Johnson, N.C 28
  - Shaw, S,C 28
  - Shemya, Alaska 26
  - Sheppard, Tex 25
  - Tinker, Okla 24, 145, 157, 158, 161
  - Travis Calif 26, 151
  - Tyndall, Fla 28
  - Vandenberg, Calif 27, 426
  - Williams, Ariz 25
  - Wright-Patterson, Ohio 24, 127, 157, 158, 161, 184
  - Wurtsmith, Mich 27
- Air Force Reserve Base, Westover, Mass 29
- Air Force Station:
  - Newark, Ohio 438
  - Port Austin, Mich 146
  - Sunnyvale, Calif 25
- Air National Guard Base:
  - Duluth, Minn 146
  - Otis, Mass 29
- Alameda, Calif.:
  - Naval Air Rework Facility 16
  - Naval Air Station 14
- Alaska 3, 14, 25, 26, 37, 136, 156, 157, 161, 211, 344
- Algeria 194
- Altus AFB, Okla 26
- Anderson AFB, Guam 30
- Andrews AFB, Md 26, 151, 187
- Annapolis, Md., U.S. Naval Academy 14, 401
- Arnold Engineering Development Center, Tenn 25, 426
- Atlantic Fleet Headquarters Support Activity, Norfolk, Va 14
- Atsugi, Japan, Naval Air Facility 18
- Aviano, Italy, Air Base 30
- Aviation Supply Office, Philadelphia, Pa 17

B

Page

Beale AFB, Calif 27, 151
Beaufort, S.C., Marine Corps Air Station 13
Belgium 193
Bergstrom AFB, Tex 28, 146, 437
Binary Chemical Munitions, Pine Bluff, Ark 4, 204, 288, 295, 296, 297, 298
Blytheville AFB, Ark 27
Bolling AFB, Washington, D.C 26, 151, 187
Bremerton, Wash., Puget Sound Shipyard 368
Bridgeport, Calif., Marine Corps Mountain Warfare Training Center 22, 377
Brunswick, Maine, NAS 145

C

Camp:
  Butler, Marine Corps Base, Okinawa, Japan 18, 157, 159
  Casey, Korea 257
  Humphrey, Korea 262
  Lejeune, N.C.:
    Marine Corps Base 13
    Naval Regional Medical Center 16
  Long, Korea 29
  Nimble, Korea 265
  Pendleton, Calif., Marine Corps Base 13, 21, 151, 397
Cape Canaveral, Fla 25, 426
Cannon AFB, N. Mex 28
Carswell, AFB, Tex 27, 436
Cecil Field, Fla., NAS 14, 367
Centerville, AFB, Calif 441
Central Instruction Facility, Presidio of Monterey, Calif 150
Chanute, AFB, Ill 25
Charleston, S.C.:
  Charleston AFB, S.C 26
  Naval Station 14, 137, 367, 406
  Naval Weapons Station 16
Cherry Point, N.C.:
  Marine Corps Air Station 13, 377
  Naval Air Rework Facility 16, 368
China Lake, Calif., Naval Weapons Center 16, 368
Clark AFB, Republic of the Philippines 29, 139
Colorado Springs, Colo., U.S. Air Force Academy 28, 465
Columbus AFB, Miss 25
Comiso, Italy Air Base 38, 427
Commandant Naval District of Washington, Washington, D.C 14
Commander Oceanographic System Atlantic, Norfolk, Va 14
Consolidated Space Operations Center, Colo 428
Corpus Christi, Tex., NAS 15, 406
Cubi Point, Philippines, NAS 18, 369, 406
Czechoslovakia 194

D

Dam Neck, Va.:
  Fleet Training Center Atlantic 15, 51
Dahlgren, Va., Naval Surface Weapons Center 16, 368, 406
Dallas, Tex., NAS 378
Davis-Monthan AFB, Ariz 28, 414
Defense Foreign Language Institute, Monterey, Calif 37
Defense Fuel Support Point, Guam 37
Defense Housing Complex, San Francisco, Calif 145
Defense Systems Management College, Fort Belvoir, Va 37
Denmark 194
Diego Garcia, Indian Ocean:
  Air Base 29
  Naval Support Facility 18, 370, 400
  Various locations 120, 165, 428
Dover AFB, Del 26
Duluth, Minn., Air National Guard Base 146
Dyess AFB, Tex 27

E

Page
Edwards AFB, Calif 25
Edzell, Scotland, Naval Security Group Activity 19, 370, 406
Eglin AFB, Fla 25, 151, 156, 157, 161
Egypt 5, 30, 120, 165, 185, 198, 239, 240
Eielson AFB, Alaska 26
El Toro, Calif., Marine Corps Air Station 13, 145, 406
Ellsworth AFB, S. Dak 27, 476
Elmendorf AFB, Alaska 26, 37, 156, 157, 161

F

Fairchild AFB, Wash 27, 151
Fallon, Nev., NAS 51, 382
Fitzsimmons Army Medical Center, Colo 5, 313
Fleet Anti-submarine Warfare Training Center Pacific, San Diego, Calif 16, 406
Fleet Command Training Center, Atlantic, Dam Neck, Va 15, 51
Fleet Training Center, Norfolk, Va 15, 368
Fleet Operations Control Center, Europe, London, England 18, 370
Fort:
- Belvoir, Va 37, 150
- Benning, Ga 3, 156, 159, 247, 273
- Bliss, Tex 3
- Bragg, N.C 3, 216, 308, 313
- Campbell, Ky 3, 250, 269, 275, 347
- Carson, Colo 3, 250
- Davis, Panama 313
- Detrick, Md 5, 313
- Devens, Mass 3
- Erwin, Calif 314, 327
- Eustis, Va 3, 253
- Hamilton, N.Y 10
- Hood, Tex 3, 206, 250, 340
- Huachuca, Ariz 5, 157, 160, 261, 414, 479, 482
- Irvin, Calif 3, 9, 204
- Knox, Ky 3, 252
- Leavenworth, Kans 4, 257
- Leonard Wood, Mo 4
- Lewis, Wash 3, 9, 11, 215, 327
- MacArthur, Calif 25, 33, 145, 429
- McClellan, Ala 4, 252
- McPherson, Ga 189, 343
- Meade, Md 3, 37, 119, 342, 345
- Myer, Va 156, 159
- Ord, Calif 3, 145, 252, 313, 329
- Polk, La 3, 145, 252
- Richardson, Alaska 344
- Roberts, Calif 3
- Rucker, Ala 4, 253, 313
- Sam Houston, Tex 338
- Sheridan, Ill 339
- Stewart, Ga 3, 145, 156, 159, 250, 252, 313
- Story, Va 3, 344
- Wainwright, Alaska 3, 344

France 194
Francis E. Warren AFB, Wyo 27, 35

G

Galena Airport, Alaska 26
George AFB, Calif 28
Germany:
- Bamberg 38
- Baumholder 50, 222
- Bremerhaven 256
- Defense Personnel Support Center, Kaiserslautern 37

Germany—Continued — Page

- Erlangen — 223
- Fulda — 274
- Giessen — 50
- Grafenwoehr — 9, 157, 160
- Hanau — 50, 221
- Hohenfels — 9
- Illesheim — 269
- Kaiserslautern Air Base — 38
- Karlsruhe — 38, 50
- Mainz — 38
- Nurenberg — 38
- Ramstein Air Base — 38
- Rhein-Main Air Base — 29
- Schwaenbach — 224
- Various locations — 5, 6, 9, 29, 30, 37, 38, 50, 120, 157, 160, 167, 168, 169, 221, 222, 223, 224, 226, 227, 230, 231, 247, 256, 269, 274, 311, 313, 331, 332
- Wildflecken — 9
- Wuerzburg — 38
- Zweibruecken Air Base — 38

Gila Bend Air Force Auxiliary Field, Ariz — 28, 151
Goddard Space Flight Center, Md — 426
Goodfellow AFB, Tex — 25, 428
Gorgas Army Hospital, Panama — 257
Grand Forks AFB, N. Dak — 146
Great Lakes, Ill.:

- Naval Training Center — 15
- Navy Public Works Center — 16

Greece — 194
Griffiss AFB, N.Y — 27
Guam:

- Defense Fuel Support Point — 37
- Naval Communications Area Master Station, Western Pacific — 19

Guantanamo Bay, Cuba, Naval Station — 23, 24, 405

H

Hanscom AFB, Mass — 151
Hawaii — 3, 9, 13, 15, 18, 135, 156, 159, 211, 313, 368, 369, 406
Hill, AFB, Utah — 438
Holloman, AFB, N. Mex — 28, 35
Homestead AFB, Fla — 28
Hong Kong — 194
Honolulu, Hawaii, Naval Communications Area Master Station, Eastern Pacific — 18, 369, 406

I

Iceland — 18, 30, 119, 369, 406
Incirlik, Turkey, Air Base — 30, 33, 145
Indian Ocean/Persian Gulf region — 501
Indiana Army Ammunition Plant Ind — 4
Indonesia — 194
Iowa Army Ammunition Plant, Iowa — 4
Italy — 38, 194
Ivory Coast — 194

J

Jacksonville, Fla., NAS — 51
Japan — 38, 194
Johnston Island — 5
Johnson Space Center, Texas — 444
Jordan — 194

K

Page

Kadena Air Base, Japan 29
Kaneoho, Hawaii Marine Corps Air Station 13
Kansas Army Ammunition Plant, Kans 4
Keesler AFB, Miss 25
Keflavik, Iceland:
    Naval Facility 18
    Naval Station 18, 30, 369, 406
Kelly AFB, Tex 24, 151
Kennedy Space Center, Fla 426
Kenya, naval activities 18, 120, 165, 370
Key West, Fla., NAS 156
K. I. Sawyer AFB, Mich 27
Kings Bay, Kingsland, Ga., Naval Submarine Support Base 14, 367, 380
Kirtland AFB, N. Mex 26, 35
Kittery, Maine, Portsmouth Naval Shipyard 17
Korea 5, 29, 37, 149, 236, 248, 257, 262, 265, 313
Kunsan Air Base, Korea 29
Kwajalein missile range 242, 357, 358
Kwang-Ju Air Base, Korea 29

L

Lackland AFB, Tex 25
Lajes Field Azores, Portugal 29, 51, 145, 146, 165, 200, 201
Lakehurst, N.J., Naval Air Engineering Center 157, 159
Langley AFB, Va 28, 151, 156, 157, 161
Laughlin AFB, Tex 25
Laurence G. Hanscom AFB, Mass 25
Lemoore, Calif., NAS 15, 367
Libby Army Airfield, Fort Huachuca, Ariz 414, 479, 482
Little Creek, Va., Naval Amphibious Base 14
Little Rock AFB, Ark 26
Long Beach, Calif., Naval Station 22
Longhorn Army Ammunition Plant, Tex 4
Loring AFB, Maine 27, 34
Louisiana Army Ammunition Plant, La 4
Lowry AFB, Colo 25, 428
Luke AFB, Ariz 436

M

MacDill AFB, Fla 28, 33, 184, 428, 429
Malmstrom AFB, Mont 27
Malaysia 194
March AFB, Calif 27
Mare Island Naval Shipyard, Vallejo, Calif 16, 406
Mariana Islands 38
Marine Corps Air Station:
    Beaufort, S.C 13
    Cherry Point, N.C 13, 377
    El Toro, Calif 13, 145, 406
    Iwakuni, Japan 18
    Kaneoho Bay, Hawaii 13
    Tustin, Calif 13
    Yuma, Ariz 145
Marine Corps Base:
    Camp Butler, Okinawa, Japan 18, 157, 159
    Camp Lejeune, N.C 17
    Camp Pendleton, Calif 13, 21, 151, 397
Marine Corps Development and Education Command, Quantico, Va 13, 377
Marine Corps Mountain Warfare Training Center, Bridgeport, Calif 22, 377
Marine Corps Recruit Depot:
    Parris Island, S.C 13
    San Diego, Calif 13, 406
Maxwell AFB, Ala 25
Mayport, Fla., Naval Station 14, 23, 367, 406

Page

- McChord AFB, Wash 26, 151
- McClellan AFB, Calif 24, 52, 157, 158, 161
- McConnell AFB, Kans 27, 138
- McGuire AFB, N.J 26
- Memphis, Tenn., NAS 15, 368
- Milan Army Ammunition Plant, Tenn 4
- Misawa, Japan Air Base 29
- Missile Range, White Sands, N. Mex 4, 242, 243, 357, 358
- Moffett Field, Calif., NAS 15, 25, 151, 367, 406, 443
- Moody AFB, Ga 28
- Mountain Home AFB, Idaho 28

N

- Naples, Italy, Naval Communications Area Master Station, Mediterranean 19
- National Missile Range 5
- Naval Academy, U.S., Annapolis, Md 14, 401
- Naval Activities:
  - Kenya 18
  - Somalia 18
- Naval Air Development Center, Warminster, Pa 17
- Naval Air Engineering Center, Lakehurst, N.J 157, 159
- Naval Air Facility, Atsugi, Japan 18
- Naval Air Rework Facility:
  - Alameda, Calif 16
  - Cherry Point, N.C 16, 368
  - North Island, Calif 17, 369
- Naval Air Test Center, Patuxent River, Md 24, 402
- Naval Air Station:
  - Alameda, Calif 14
  - Brunswick, Maine 145
  - Cecil Field, Fla 14, 367
  - Corpus Christi, Tex 15, 406
  - Cubi Point, Republic of the Philippines 18, 369, 406
  - Dallas, Tex 378
  - Fallon, Nev 51, 382
  - Jacksonville, Fla 51
  - Key West, Fla 156
  - Lemoore, Calif 15, 367
  - Memphis, Tenn 15, 368
  - Moffett Field, Calif 15, 25, 151, 367, 406, 443
  - Norfolk, Va 14
  - North Island, Calif 15, 156, 158, 161, 368
  - Pensacola, Fla 15, 368, 406
  - Sigonella, Italy 18, 157, 370
  - Whidbey Island, Wash 15
- Naval Air Training Center, Patuxent River, Md 23
- Naval Amphibious Base, Little Creek, Va 14
- Naval Communications Area Master Station:
  - Atlantic, Norfolk, Va 18
  - Eastern Pacific, Honolulu, Hawaii 18, 369, 406
  - Mediterranean, Naples, Italy 19
  - Western Pacific, Guam 19
- Naval Communication Station, Thurso, Scotland 19
- Naval Complex:
  - New London, Conn 145
  - Norfolk, Va 145
- Naval Education and Training Center, Newport, R.I 15, 50
- Naval Education and Training Command 368
- Naval Facility:
  - Adak, Alaska 14
  - Keflavik, Iceland 18
- Naval Mine Engineering Facility, Yorktown, Va 17, 369
- Naval Regional Medical Center:
  - Camp Lejeune, N.C 16
  - Oakland, Calif 15, 368

Page

Naval Research Laboratory, Washington, D.C. 13
Naval Security Group Activity, Edzell, Scotland 19, 370, 406
Naval Ship Weapon System Engineering Station, Port Huenme, Calif 17, 369
Naval Shipyard, Mare Island, Calif 406
Naval Station:
  Adak, Alaska 136
  Charleston, S.C 14, 137, 367, 406
  Guantanamo Bay, Cuba 23, 24, 405
  Keflavik, Iceland 18, 30, 369, 406
  Long Beach, Calif 22
  Mayport, Fla 14, 23, 367, 406
  Pearl Harbor, Hawaii 15, 406
  San Diego, Calif 15, 368
Naval Submarine Support Base, Kings Bay, Kingsland, Ga 14, 367, 380
Naval Submarine Base, New London, Groton, Conn 14, 51, 157, 159, 367
Naval Supply Center, San Diego, Calif 17
Naval Support Activity, San Francisco, Calif 14
Naval Support Facility, Diego Garcia, Indian Ocean 18, 370, 400
Naval Surface Weapons Center:
  Dahlgren, Va 16, 368, 406
  White Oak, Md 17, 369
Naval Technical Training Center, Pensacola, Fla 16, 368
Naval Training Center:
  Great Lakes, Ill 15
  Orlando, Fla 15
Naval Underwater Systems Center, Newport, R.I 17, 369
Naval Weapons Center, China Lake, Calif 16, 368
Naval Weapons Station, Charleston, S.C 16
Navy Public Works Center:
  Great Lakes, Ill 16
  Norfolk, Va 369, 406
  San Francisco, Calif 17
  Subic Bay, Republic of the Philippines 19, 406
Nellis AFB, Nev 28, 156, 157, 161
Netherlands 193
Newport, R.I.:
  Naval Education and Training Center 15, 50
  Naval Underwater Systems Center 17, 369
New London, Conn.:
  Naval Complex 145
  Naval Submarine Base 14, 51, 157, 159, 367
Newark Air Force Station, Ohio 438
Nigeria 194
Norfolk Naval Shipyard, Portsmouth, Va 17, 369, 398
Norfolk, Va.:
  Atlantic Fleet Headquarters Support Activity 14
  Commander Oceanographic System Atlantic 14
  Fleet Training Center 15, 368
  Naval Air Station 14
  Naval Communications Area Master Station, Atlantic 18
  Naval Complex 145
  Navy Public Works Center 17, 369
North Island, Calif.:
  Naval Air Rework Facility 17, 369
  Naval Air Station 15, 156, 158, 161, 368
Norton AFB, Calif 26
Norway 194
NORAD Cheyenne Mountain Complex, Colo 27, 452

O

Oakland, Calif., Naval Regional Medical Center 16, 368
Offutt AFB, Nebr 27
Oman 30, 120, 165, 193
Orlando, Fla., Naval Training Center 15
Osan AFB, Korea 29, 156
Otis Air National Guard Base, Mass 29

P

Page
Panama 5, 257
  Gorgas Army Hospital 257
Parris Island, S.C., Marine Corps Recruit Depot 13
Patrick AFB, Fla 156, 158, 161
Patuxent River, Md.:
  Naval Air Test Center 24, 402
  Naval Air Training Center 23
Pearl Harbor, Hawaii:
  Naval Station 15, 406
  Shore Intermediate Maintenance Activity 15, 368
Pensacola, Fla.:
  Naval Air Station 15, 368, 406
  Naval Technical Training Center 16, 368
Pentagon Building, Va 26
Peterson AFB, Colo 27
Philadelphia Aviation Supply Office, Pa 17
Pine Bluff, Ark., binary chemical munitions 4, 204, 288, 295, 296, 297, 298
Poland 194
Pope AFB, N.C 26
Port Austin Air Force Station, Mich 146
Port Hueneme, Calif., Naval Ship Weapon System Engineering Station 17, 369, 426
Portsmouth Naval Shipyard, Kittery, Maine 17
Portsmouth, Va., Norfolk Naval Shipyard 17, 369, 398
Portugal 194
Powell, Wyo 27, 33, 429
Puget Sound Shipyard, Bremerton, Wash 368

Q

Quantico, Va., Marine Corps Development and Education Command 13, 377

R

Radford Army Ammunition Plant, Va 4
Ramstein, Germany, Air Base 35
Randolph AFB, Tex 25
Red River Army Depot, Texarkana, Tex 4, 265, 266
Redstone Arsenal, Ala 156, 159
Reese AFB, Tex 25
Republic of the Philippines:
  Navy Public Works Center 19
  San Miguel 29
  Various locations 18, 19, 29, 139, 194, 369, 406
Robins AFB, Ga 24, 156, 157, 161
Romania 194

S

San Bernadino County Complex, Calif 427
San Diego, Calif.:
  Fleet Anti-Submarine Warfare Training Center 16, 406
  Marine Corps Recruit Depot 13, 406
  Naval Station 15, 368
  Naval Supply Center 17
  Shore Intermediate Maintenance Activity 15, 368
San Francisco, Calif.:
  Naval Support Activity 14
  Navy Public Works Center 14
San Miguel, Republic of the Philippines 29
Satellite Test Center, Sunnyvale, Calif 443
Saudia Arabia 194
Schofield Barracks, Hawaii 3, 135, 156, 159, 313
Scott AFB, Ill 26, 151
Senegal 194
Seymour-Johnson AFB, N.C 28
Shaw AFB, S.C 28

Page

Shemya AFB, Alaska ... 26
Sheppard AFB, Tex ... 25
Shore Intermediate Maintenance Activity:
  Pearl Harbor, Hawaii ... 15, 368
  San Diego, Calif ... 15, 368
Sicily ... 119
Sigonella, Italy, NAS ... 18, 157, 370
Singapore ... 194
Somalia, naval activities ... 18, 120, 165, 200, 320, 400
Southern Arizona Auxiliary Field, Ariz ... 479
Southwest Asia ... 120, 428
Spain ... 194
St. Louis Aerospace Center, Mo ... 37
Stewart Field, N.Y ... 479
Sudan ... 194
Sunflower Army Ammunition Plant, Kans ... 5
Sunnyvale, Calif.:
  Air Force Station ... 25
  Satellite Test Center ... 443

T

Thurso, Scotland, Naval Communications Station ... 19
Tinker AFB, Okla ... 24, 145, 157, 158, 161
Tooele Army Depot, Utah ... 4
Torrejon, Spain, Air Base ... 30
Travis AFB, Calif ... 26, 151
Turkey ... 5, 232, 313, 430
Tustin, Calif., Marine Corps Air Station ... 13
Tyndall AFB, Fla ... 28

U

United Kingdom ... 30, 34, 35, 38, 119, 194, 370, 406, 427, 430
  RAF Bentwaters ... 34
  RAF Greenham Common ... 34, 38, 427
  RAF Lakenheath ... 35
  RAF Upper Heyford ... 35
  RAF Woodbridge ... 38
U.S. Air Force Academy, Colo ... 28, 465
U.S. Naval Academy, Annapolis, Md ... 157, 159

V

Vallejo, Calif. Mare Island Naval Shipyard ... 16
Vandenberg AFB, Calif ... 27, 426

W

Walter Reed Army Medical Center, Washington, D.C ... 5
Warminster, Pa., Naval Air Development Center ... 17
Washington, D.C.:
  Commandant Naval District Washington ... 14
  Naval Research Laboratory ... 13
  Walter Reed Army Medical Hospital ... 5
  Washington Navy Yard ... 367, 387
Westover Air Force Reserve Base, Mass ... 29
Whidbey Island, Wash., NAS ... 15
White Oak, Md., Naval Surface Weapons Center ... 17, 369
White Sands Missile Range, N. Mex ... 4, 242, 243, 357, 358
Williams AFB, Ariz ... 25
Wright-Patterson AFB, Ohio ... 24, 127, 157, 158, 161, 184
Wurtsmith AFB, Mich ... 27

Y

Yaedake Radio Relay Station, Japan ... 29
Yakima Firing Center, Wash ... 3
Yemen ... 194
Yokota Air Base, Japan ... 38
Yorktown, Va., Naval Mine Engineering Facility ... 17, 369
Yuma, Ariz., Marine Corps Air Station ... 145

INSTALLATION INDEX BY STATE

- Alabama
  - Army: Page
    - Fort McClellan 4, 252
    - Fort Rucker 4, 253, 313
    - Redstone Arsenal 156, 159
  - Air Force: Maxwell 25
- Alaska
  - Air Force:
    - Eielson AFB 26
    - Elmendorf AFB 26, 37, 156, 157, 161
    - Galena Airport 25
    - Shemya AFB 25
  - Army:
    - Fort Richardson 344
    - Fort J. M. Wainwright 3, 344
  - Navy:
    - Naval Facility, Adak 14
    - Naval Station, Adak 136
- Arizona
  - Army: Fort Huachuca 5, 157, 160, 261, 414, 479, 482
  - Navy: Navy: Marine Corps Air Station, Yuma 145
  - Air Force:
    - Auxiliary Field, Gila Bend 28, 151
    - Davis-Monthan AFB 28, 414
    - Luke AFB 436
    - Southern Arizona Auxiliary Field 479
    - Williams AFB 25
- Arkansas
  - Air Force:
    - Blytheville AFB 27
    - Little Rock AFB 26
  - Army:
    - Pine Bluff Arsenal 4
  - Binary Chemical Munitions, Pine Bluff 204, 288, 295, 296, 297, 298
- California
  - Army:
    - Camp Roberts 3
    - Fort Irwin 3, 9, 204, 314, 327
    - Fort MacArthur 25, 33, 145, 429
    - Fort Ord 3, 145, 252, 313, 329
  - Navy:
    - Fleet Antisubmarine Warfare Training Center Pacific, San Diego 16, 406
    - Mare Island Naval Shipyard, Vallejo 16
    - Marine Corps Air Station (helicopter), Tustin 13
    - Marine Corps Air Station, El Toro 13, 145, 406
    - Marine Corps Base, Camp Pendleton 13, 22, 151, 397
    - Marine Corps Mountain Warfare Training Center, Bridgeport 22, 377
    - Marine Corps Recruit Depot, San Diego 13, 406
    - Naval Air Rework Facility, North Island, San Diego 17, 369
    - Naval Air Rework Facility, Alameda 16
    - Naval Air Station, Alameda 14
    - Naval Air Station, Lemoore 14, 367
    - Naval Air Station, Moffett Field 15, 25, 151, 367, 406, 443
    - Naval Air Station, North Island 15, 156, 158, 161, 368

California—Continued
- Navy—Continued (Page)
  - Naval Ship Weapon System Engineering Station, Port Hueneme 17, 369
  - Naval Shipyard, Mare Island 406
  - Naval Station, Long Beach 22
  - Naval Station, San Diego 15, 368
  - Naval Regional Medical Center, Oakland 16, 368
  - Naval Support Activity, San Francisco 14
  - Naval Supply Center, San Diego 17
  - Naval Weapons Center, China Lake 16, 368
  - Navy Public Works Center, San Francisco 17
  - Shore Intermediate Maintenance Activity, San Diego 15, 368
- Air Force:
  - Beale AFB 27, 151
  - Centerville AFB 441
  - Edwards AFB 25
  - George AFB 28
  - March AFB 27
  - McClellan AFB 24, 52, 157, 158, 161
  - Norton AFB 26
  - Sunnyvale AFS 25
  - Travis AFB 26. 151
  - Vandenberg AFB 27, 426
- Central Instruction Facility, Presidio of Monterey 150
- Defense Foreign Language Institute, Monterey 37
- Defense Housing Complex, San Francisco 145
- San Bernardino County Complex 427
- Satellite Test Center, Sunnyvale 443

Colorado
- Army:
  - Fort Carson 3, 250
  - Fitzsimmons Army Medical Center 5, 313
- Air Force:
  - Air Force Academy, Colorado Springs 28, 465
  - Buckley Air National Guard Base 29
  - Lowry AFB 25, 428
  - NORAD Cheyenne Mountain Complex 27, 452
  - Peterson AFB 27
- Consolidated Space Operations Center 428

Connecticut
- Navy:
  - Naval Complex, New London 145
  - Naval Submarine Base, New London, Gorton 51, 157, 159, 367
  - Naval Submarine Support Facility, New London, Groton 14

Delaware
- Air Force: Dover AFB 26

District of Columbia
- Army: Walter Reed Army Medical Center 5
- Navy:
  - Commandant Naval District of Washington 13
  - Naval Research Laboratory 13
  - Washington Navy Yard 367. 387
- Air Force: Bolling AFB 26, 151, 187

Florida
- Navy:
  - Naval Air Station, Cecil Field 14, 367
  - Naval Air Station, Jacksonville 51
  - Naval Air Station, Key West 156
  - Naval Air Station, Pensacola 15, 368, 406
  - Naval Station, Mayport 14, 23, 367, 406
  - Naval Technical Training Center, Pensacola 16, 368
  - Naval Training Center, Orlando 15
- Kennedy Space Center 426

Florida—Continued
Page
Air Force:
Cape Canaveral Air Force Station, 25, 426
Eglin AFB, 25, 151, 156, 157, 161
Homestead AFB, 28
MacDill AFB, 28, 33, 184, 428, 429
Patrick AFB, 156, 158, 161
Tyndall AFB, 28
Georgia
Army:
Fort Benning, 3, 156, 159, 247, 273
Fort McPherson, 189, 343
Fort Stewart, 3, 145, 156, 159, 250, 252, 313
Navy:
Naval Submarine Support Base, Kings Bay, Kingsland, 14, 367, 378
Air Force:
Moody AFB, 28
Robins AFB, 24, 156, 157, 161
Hawaii
Army: Schofield Barracks, 3, 135, 156, 159, 313
Navy:
Marine Corps Air Station, Kaneole, 13
Naval Communication Area Master Station Eastern Pacific, Honolulu, 18, 369, 406
Naval Station, Pearl Harbor, 15, 406
Shore Intermediate Maintenance Activity, Pearl Harbor, 15, 368
Idaho
Air Force: Mountain Home AFB, 28
Illinois
Army: Fort Sheridan, 339
Navy:
Naval Training Center, Great Lakes, 15
Navy Public Works Center, Great Lakes, 16
Air Force:
Chanute AFB, 25
Scott AFB, 26, 151
Indiana
Army: Indiana Army Ammunition Plant, 4
Iowa
Army: Iowa Army Ammunition Plant, 4
Kansas
Army:
Fort Leavenworth, 4, 257
Kansas Army Ammunition Plant, 4
Sunflower Army Ammunition Plant, 5
Air Force: McConnell AFB, 27, 138
Kentucky
Army:
Fort Campbell, 3, 250, 269, 275, 347
Fort Knox, 4, 252
Louisiana
Army:
Fort Polk, 3, 145, 252
Louisiana Army Ammunition Plant, 4
Maine
Navy:
Naval Air Station, Brunswick, 145
Portsmouth Naval Shipyard, Kittery, 17
Air Force: Loring AFB, 27, 34

Page

- Maryland
  - Army:
    - Aberdeen Proving Ground, 4, 252, 341
    - Fort Detrick, 5, 313
    - Fort George G. Meade, 3, 37, 119, 342, 345
  - Navy:
    - Naval Academy, 14, 157, 159, 401
    - Naval Air Test Center, Patuxeut River, 24
    - Naval Air Training Center, Patuxent River, 23, 402.
    - Naval Surface Weapons Center, White Oak, 17, 369
  - Air Force: Andrews AFB, 26, 151, 187
  - Goddard Space Flight Center, 426
- Massachusetts
  - Army: Fort Devens, 3
  - Air Force:
    - Air Force Reserve, Westover, 29
    - Air National Guard, Otis, 29
    - Hanscom AFB, 25, 151
- Michigan
  - Air Force:
    - K. I. Sawyer AFB, 27
    - Port Austin AFB, 146
    - Wurtsmith AFB, 27
- Minnesota
  - Air Force: Air National Guard Base, Duluth, 146
- Mississippi
  - Air Force:
    - Columbus AFB, 25
    - Keesler AFB, 25
- Missouri
  - Army: Fort Leonard Wood, 4
  - Aerospace Center, St. Louis, 37
- Montana
  - Air Force: Malstrom AFB, Great Falls, 27
- Nebraska
  - Air Force: Offutt AFB, 27
- Nevada
  - Navy: Naval Air Station, Fallon, 51, 382
  - Air Force: Nellis AFB, 28, 156, 157, 161
- New Jersey
  - Navy: Naval Air Engineering Center, Lakehurst, 157, 159
  - Air Force: McGuire AFB, 26
- New Mexico:
  - Army: White Sands Missile Range, 4, 242, 243, 357, 358
  - Air Force:
    - Cannon AFB, 27
    - Holloman AFB, 28, 35
    - Kirtland AFB, 26, 35
- New York
  - Army: Fort Hamilton, 10
  - Air Force:
    - Griffiss AFB, 27
    - Stewart Field, 479
- North Carolina
  - Army: Fort Bragg, 3, 216, 308, 313
  - Navy:
    - Marine Corps Air Station, Cherry Point, 13, 377
    - Marine Corps Base, Camp Lejeune, 13
    - Naval Air Rework Facility, Cherry Point, 16, 368
    - Naval Regional Medical Center, Camp Lejeune, 16
  - Air Force:
    - Pope AFB, 26
    - Seymour-Johnson AFB, 28
- North Dakota
  - Air Force: Grand Forks AFB, 146

Ohio
- Air Force: (Page)
  - Newark AFS 438
  - Wright-Patterson, AFB 24, 127, 157, 158, 161
- Defense Construction Supply Center, Columbus 184

Oklahoma
- Air Force:
  - Altus AFB 28
  - Tinker AFB 24, 145, 157, 158, 161

Pennsylvania
- Navy:
  - Aviation Supply Office, Philadelphia 16
  - Naval Air Development Center, Warminster 16

Rhode Island
- Navy:
  - Naval Education and Training Center, Newport 15, 50
  - Naval Underwater System Center, Newport 17, 369

South Carolina
- Navy:
  - Marine Corps Recruit Depot, Parris Island 13
  - Marine Corps Air Station, Beaufort 13
  - Naval Station, Charleston 14, 137, 367, 406
  - Naval Weapons Station, Charleston 16
- Air Force:
  - Charleston AFB 26
  - Shaw AFB 27

South Dakota
- Air Force: Ellsworth AFB 27, 476

Tennessee
- Army: Milan Army Ammunition Plant 4
- Navy: Naval Air Station, Memphis 15, 368
- Arnold Engineering Development Center 25, 426

Texas
- Army:
  - Corpus Christi Army Depot 2
  - Fort Bliss 3, 206, 250, 340
  - Fort Sam Houston 338
  - Longhorn Army Ammunition Plant 4
  - Red River Army Depot 4, 265, 266
- Air Force:
  - Bergstrom AFB 27, 146, 436
  - Carswell AFB 27, 436
  - Dyess AFB 27
  - Goodfellow AFB 25, 428
  - Kelly AFB 24, 151
  - Lackland AFB 25
  - Laughlin AFB 25
  - Randolph AFB 25
  - Reese AFB 25
  - Sheppard AFB 25
- Navy:
  - Naval Air Station, Corpus Christi 15, 406
  - Naval Air Station, Dallas 378
- Johnson Space Center 426, 443

Utah
- Army: Tooele Army Depot 4
- Air Force: Hill AFB 24, 438

Virginia
- Army:
  - Fort Belvoir 37, 150
  - Fort Eustis 3, 253
  - Fort Myer 156, 159
  - Fort Story 4, 259, 313
  - Radford Army Ammunition Plant 4

- Virginia—Continued
  - Navy: (Page)
    - Atlantic Fleet Headquarters Support Activity 14
    - Commander Oceanographic System Atlantic, Norfolk 14
    - Fleet Combat Training Center, Atlantic, Dam Neck 51
    - Fleet Command Training Center, Dam Neck 15
    - Fleet Training Center, Norfolk 15, 368
    - Marine Corps Development and Education Command, Quantico 13, 377
    - Naval Air Station, Norfolk 14
    - Naval Amphibious Base, Little Creek 14
    - Naval Complex, Norfolk 145
    - Naval Communications Area Master Station Atlantic, Norfolk 18
    - Naval Mine Engineering Facility, Yorktown 17, 369
    - Naval Surface Weapons Center, Dahlgreen 16, 368, 406
    - Navy Public Works Center, Norfolk 17, 369, 406
    - Norfolk Naval Shipyard, Portsmouth 17, 369, 398
  - Air Force:
    - Langley AFB 28, 151, 156, 157, 161
    - Pentagon Building 25
- Washington
  - Army:
    - Fort Lewis 3, 9, 11, 215, 327
    - Yakima Firing Center 3
  - Navy:
    - Naval Air Station, Whidbey Island 15
    - Puget Sound Naval Shipyard, Bremerton 368
  - Air Force:
    - Fairchild AFB 27, 151
    - McChord AFB 26, 151
- Wyoming
  - Air Force:
    - Powell AFB 27, 33, 429
    - Warren AFB 27, 35

OUTSIDE THE UNITED STATES

- Algeria 194
- Belgium 193
- China, Hong Kong 194
- Cuba
  - Navy: Guantanamo Bay Naval Base 23, 24, 405
- Czechoslovakia 194
- Denmark 194
- Egypt
  - Various locations 5, 30, 120, 165, 185, 198, 239, 240
- France 194
- Germany
  - Air Force:
    - Rhein-Main AB 29
    - Ramstein AB 35, 38
    - Zweibruecken 38
    - Hobenfels 9
    - Grafenwoehr 9, 157, 160
    - Wildflecken 9
    - Various locations 5, 6, 30, 35, 37, 38, 50, 120, 167, 168, 169, 221, 222, 223, 224, 225, 226, 227, 230, 231, 247, 256, 269, 274, 311, 313, 331, 332
- Greece 194
- Guam
  - Air Force: Anderson AFB 30
  - Navy: Naval Communications Area Master Station, Western Pacific 19
  - Defense Fuel Support Point 37

- Iceland
  - Navy: — Page
    - Naval Station, Keflavik — 18, 30, 369, 406
    - Naval Facility, Keflavik — 18, 119
- Indian Ocean
  - Navy: Naval Support Facility, Diago Garcia — 18, 370, 400
  - Air Force: Diego Garcia AB — 29, 120, 165, 428
- Indian Ocean/Persian Gulf region — 501
- Indonesia — 194
- Italy
  - Navy:
    - Naval Air Facility, Sigonella — 18, 157, 370
    - Naval Communications Area Master Station Mediterranean, Naples — 19
  - Air Force: Aviano AB — 30
- Ivory Coast — 194
- Japan
  - Navy:
    - Marine Corps Air Station, Iwakuni — 18
    - Marine Corps Base, Camp Butler, Okinawa — 18, 157, 159
    - Naval Air Facility, Atsugi — 18
  - Air Force:
    - Kadena AB — 29
    - Misawa AB — 29
    - Yokota AB — 38
  - Various locations — 29, 194
- Jordan — 194
- Kenya
  - Navy: Naval Activities — 18, 120, 165, 370
- Korea
  - Army: Various locations — 5, 29, 37, 149, 236, 248, 257, 262, 265, 313
  - Air Force:
    - Osan Air Base — 29, 156
    - Kunsan Air Base — 29
    - Kwang-Ju Air Base — 29
- Kwajalein
  - Army: National Missile Range — 242, 357, 358
- Malaysia — 194
- Mariana Islands Defense Installation — 38
- Netherlands — 193
- Nigeria — 194
- Norway — 194
- Oman
  - Air Force: Various locations — 30, 120, 165, 193
- Panama — 5
  - Fort Davis — 313
  - Gorgas Army Hospital — 257
- Poland — 194
- Portugal
  - Air Force: Lajes Field — 29, 51, 120, 145, 146, 165, 194, 200, 201
- Republic of the Philippines:
  - Air Force: Clark Air Base — 29, 139, 194
  - Navy:
    - Naval Air Station, Cubi Point — 18, 369, 406
    - Navy Public Works CCenter, Subic Bay — 19, 406
    - San Miguel — 29
- Romania — 194
- Saudia Arabia — 194
- Senegal — 194
- Sicily — 119, 427
- Singapore — 194
- Somalia
  - Various locations — 18, 120, 165, 200, 370, 400
- Southwest Asia — 120, 428
- Spain
  - Various locations — 30, 194

Page

Sudan 194

Turkey
- **Air Force: Incirlik Air Base** 30, 33, 145
- **Various locations** 5, 232, 313, 430

United Kingdom
- **Navy:**
  - **Fleet Operations Control Center, London** 18, 370
  - **Naval Communications Station, Thurso** 19
  - **Naval Security Group Facility, Edzell, Scotland** 19, 370, 406
- Air Force:
  - **Lakenheath, RAF** 35
  - **Woodbridge, RAF** 38
- **Greenham-Common** 34, 38, 427
- **Upper Heyford, RAF** 35
- **Various locations** 18, 30, 34, 119, 194, 430

Yemen 194

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